AGENDA
ELGIN CITY COUNCIL
REGULAR MEETING
TUESDAY, MAY 18, 2021
ELGIN PUBLIC LIBRARY ANNEX COUNCIL CHAMBERS
404 NORTH MAIN STREET
7:00 PM

Members of the public may watch the meeting at:

https://www.youtube.com/channel/UC3OGBV_IoV0Nr3AqM1jJTzA

I. **CALL TO ORDER**

II. **ROLL CALL**

III. **INVOCATION**

IV. **PLEDGE OF ALLEGIANCE**

V. **PUBLIC COMMENT**

Individuals may request to speak on items on the agenda, and items not on the agenda, by requesting to speak during the meeting and under "PUBLIC COMMENT" and will be required to fill out a "PUBLIC COMMENT FORM" and present it, along with any material, handouts or information for Council, to the City Secretary prior to commencement of the Council meeting. Speaker comments are limited to three (3) minutes.

No formal action can be taken by the City Council on items not posted on the agenda. Items requiring a Public Hearing will allow a member of the public an opportunity to speak during the Public Hearing and does not require submission of a "PUBLIC COMMENT FORM." Speakers must address their comments to the Mayor or Presiding Officer rather than to an individual Council Member or member of Staff. All speakers must limit their comments to the specific subject matter noted on the "PUBLIC COMMENT FORM" and refrain from personal attacks or derogatory comments directed at any Council Member, member of Staff, other individual or group.

VI. **PRESENTATION**

1. **Oath Of Office For New City Councilmembers**

Documents:

EXSUMMARY - OATH.PDF

VII. **CITY MANAGERS REPORT**

1. **Quarterly Investment Report – Second Fiscal Year Quarter 2020-21 January – March 2021**

Documents:

EXEC SUMMARY Q INVEST REPORT THRU MAR 31,2021.PDF
2ND QURTERLY INVESTMENT REPORT 2020-21.PDF

2. **Departmental Monthly Report – Period Ending April 30, 2021**

Documents:

EXSUM MONTHLY REPORTS BY DEPARTMENT APR 2020.PDF
02 MONTHLY REPORTS APR DATA FY2020-21.PDF

3. **General Activity Report And/Or Project Update**

Documents:

EXSUMMARY - GENERAL ACTIVITY REPORT.PDF

VIII. **CONSENT AGENDA**

All of the items on the consent agenda are considered to be self-explanatory by the Council and will be enacted with one motion, one second, and one vote. There will be no separate discussion of theses items unless a council member removes an item from the Consent Agenda and places it on the New Business section for Discussion and action.

1. **City Council Regular And Special Meeting Minutes**

- City Council Regular Meetig Minutes - May 4, 2021
- City Council Special Meeting Minutes - May 11, 2021

Documents:

EXSUMMARY SHEET MINUTES.PDF
05-04-21 CITY COUNCIL MINUTES.PDF
05-11-21 SPECIAL MEETING MINUTES CANVASS.PDF

IX. NEW BUSINESS

1. **AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF ELGIN, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021; LEVYING AN AD VALOREM TAX AND PLEDGING CERTAIN SURPLUS REVENUES IN SUPPORT OF THE CERTIFICATES; APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND OTHER AGREEMENTS RELATING TO THE SALE AND ISSUANCE OF THE CERTIFICATES; AND ORDAINING OTHER MATTERS RELATING TO THE ISSUANCE OF THE CERTIFICATES**

   Documents:

   EXSUMMARY - ORD2021COS .PDF
   ORD2021CERTIFICATES.PDF
   COPRES IV 42021.PDF

2. **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS AUTHORIZING THE ISSUANCE OF CITY OF ELGIN, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; OTHER AGREEMENTS RELATING TO THE SALE AND ISSUANCE OF THE BONDS; CALLING CERTAIN OBLIGATIONS FOR REDEMPTION; AND AUTHORIZING OTHER MATTERS RELATING TO THE ISSUANCE OF THE BONDS**

   Documents:

   EXSUMMARY - ORD2021REFUNDING .PDF
   ORD2021REFUNDING.PDF
   COPRES3921REFUNDING.PDF

3. **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS APPROVING AN ESCROW AGREEMENT IN THE AMOUNT OF $329,336.27 WITH KB HOME LONE STAR INC, FOR PARTIAL CONSTRUCTION OF IMPROVEMENTS TO COUNTY LINE ROAD PURSUANT TO A COST PARTICIPATION AGREEMENT BETWEEN THE TWO PARTIES DATED JANUARY 29, 2021; AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT AND MAKING CERTAIN FINDINGS RELATED THERETO.**

   Documents:

   COUNCIL COVERSHEET.PDF
   RESOLUTION WITH ESCROW AGREEMENT (EXHIBIT A).PDF

4. **AN ORDINANCE ANNEXING ADJACENT AND CONTIGUOUS TERRITORY TO THE CITY OF ELGIN, TEXAS, TO WIT: 99.96 ACRES OF LAND, LYING IN AND BEING SITUATED OUT OF THE THOMAS CHRISTIAN SURVEY BLOCK 26, ABSTRACT NUMBER 20, BASTROP COUNTY, TEXAS, AND BEING FULLY DESCRIBED IN EXHIBIT "A", ATTACHED HERETO; PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS.**

   Documents:

   COUNCIL COVERSHEET.PDF
   LOCATION MAP.PDF
   ANNEXATION ORDINANCE AND EXHIBIT A.PDF

5. **AN ORDINANCE ASSIGNING NEWLY ANNEXED PROPERTY TO CITY COUNCIL WARD AREA NO. 3; PROVIDING FOR A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE; PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES OR RESOLUTIONS.**

   Documents:

   COUNCIL COVERSHEET.PDF
   WARD ASSIGNMENT ORDINANCE WITH EXHIBIT A.PDF

6. **AN ORDINANCE OF THE CITY OF ELGIN, TEXAS, ANNEXING 283.115 ACRES, MORE OR LESS, FOR A LIMITED PURPOSE, WHICH INCLUDES ALL REAL PROPERTY WITHIN THE ALTESSA MUNICIPAL UTILITY DISTRICT (MUD); MAKING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE**

   Documents:

   COUNCIL COVERSHEET.PDF
   LIMITED PURPOSE ANNEXATION ORDINANCE AND EXHIBIT A.PDF
   APPROVED STRATEGIC PARTNERSHIP AGREEMENT.PDF
   HARVEST RIDGE CONCEPT PLAN.PDF

X. EXECUTIVE SESSION

The City Council may announce that it will adjourn the public meeting at any time during the meeting and convene in Executive Session pursuant to Chapter 551 of the Texas Government Code to discuss any matter as specifically listed on the agenda and/or as permitted by Chapter 551 of the Texas Government Code.

XI. RECONVENE

The City Council will return to open session for possible discussion and action as a result of the Executive Session

XII. ANNOUNCEMENTS

XIII. ADJOURMENT

Notice of Assistance at Public Meetings, the City of Elgin is committed to compliance with the Americans with Disabilities Act. Elgin City Hall and Council Chambers are wheelchair accessible and special marked parking is available. Persons with Disabilities who plan to attend this meeting and who may need

assistance are requested to contact the City Secretary's Office at (512)229-3222. Please provide forty-eight hours notice when feasible.

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: Oath of Office for New City Councilmembers

DEPARTMENT: City Council

PROPOSED ACTION:
No Council action proposed; This item is to allow for the administering of the Oath of Office for new City Councilmembers.

BACKGROUND:
As part of the May 1 City Election, new City Councilmembers were elected by city voters for Wards 1, 2, and 3. This item is to allow for said new members to take their Oath of Office.

BUDGET/FINANCIAL IMPACT:
Funding for this item was { } included { } not included in the current-year budget {X} N/A

RECOMMENDATION: N/A

ATTACHMENTS:
None

{ } Staff will be making a detailed presentation on this agenda item at the meeting.
{ } Staff will provide brief comments and answer questions on this item at the meeting.
{X} This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: Quarterly Investment Report – Second Fiscal Year Quarter 2020-21 January – March 2021

DEPARTMENT: Finance

PROPOSED ACTION: Review and Accept

BACKGROUND: Section 2256.005 of the Texas Government Code requires that not less than quarterly, the Investment Officer shall prepare and submit to the City Council, a written, signed, investment report demonstrating a list of investment transactions for the preceding reporting period, in accordance with the Act. Reports will include the following:

1.) For each pooled fund group: a beginning book value and market value, book and market value additions and changes, and ending book and market value.
2.) The book value and market value of each investment at the beginning and end of the period by type of asset and fund type invested.
3.) The maturity date of each investment.

Detailed and summary reports will be prepared and presented to the City Council and Mayor not less than quarterly. The attached Report complies with this requirement of the ACT and the City's Investment Policy.

BUDGET/FINANCIAL IMPACT:

Funding for this item was { } included { } not included in the current-year budget {X} N/A

RECOMMENDATION: Review and accept the report as presented.

ATTACHMENTS: Quarterly Financial Report – Second Quarter 2020-21

{ } Staff will be making a detailed presentation on this agenda item at the meeting.
{ } Staff will provide brief comments and answer questions on this item at the meeting.
{X} This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.

2nd Quarter Investment Report- Fiscal Year 2020-21

OPERATING ACCOUNTS -

Financial Institution	Account Name	Ending 12/31/2020	Total Deposits / (Withdrawals)	Total Interest	Ending 3/31/2021
First National Bank					
349,982.48	Main Checking	6,900,628.72	(3,610,542.66)	7,572.61	3,297,658.67
	Police Seizure Chapter 59	78.74	-	-	78.74
	General - ATS Clearing	16.51	-	0.03	16.54
	USDA Rural Dev	1.01	-	-	1.01
	Money Market General Op.	181.52	-	-	181.52
	Sub-total	6,900,906.50	(3,610,542.66)	7,572.64	3,297,936.48
	TOTAL - DEPOSITS	**6,900,906.50**	**(3,610,542.66)**	**7,572.64**	**3,297,936.48**

CAPITAL IMPROVEMENT FUNDS

Financial Institution	Account Name	Ending 1/1/2020	Total Deposits / (Withdrawals)	Total Interest	Ending 3/31/2021	WAM*
Logic Investment Pool						
	CO Series 2015- Proceeds	1.67	-	-	1.67	1.07
	CO Series 2016 - Proceeds	2,386,371.79	2,070,402.20	1,101.80	4,457,875.79	1.07
	CO Series 2019A - Proceeds	1,099,683.59	-	295.42	1,099,979.01	1.07
	General Fund Reserves	-	3,000,000.00	278.53	3,000,278.53	
	Unencumbered Reserves	-	250,000.00	23.23	250,023.23	
	CO Series 2019B(TIRZ) Proceeds	147.57	-	-	147.57	1.07
	Sub-total	3,486,204.62	5,320,402.20	1,698.98	8,808,305.80	1.07
	TOTAL - INVESTMENTS	**3,486,204.62**	**5,320,402.20**	**1,698.98**	**8,808,305.80**	
	TOTAL - DEPOSITS AND INVESTMENTS	**10,387,111.12**	**1,709,859.54**	**9,271.62**	**12,106,242.28**	

* Weighted Average to Maturity (WAM)

Signature

Charles L. Cunningham
Director of Finance

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: **Departmental Monthly Report – Period ending April 30, 2021**

DEPARTMENT: Administration

PROPOSED ACTION: No action required on this item.

BACKGROUND: Monthly Reports by Department
Attached is the Monthly Operations Report as of April 30, 2021 representing changes in work load indicators for April 2020 and April 2021 and Year-to-Date.

HR
Municipal Court
Development Services
Library
Rec Center
Public Works
Water
Wastewater.
Trash Collect
Police

BUDGET/FINANCIAL IMPACT:
None

RECOMMENDATION: These reports are informational only and no action is required.

ATTACHMENTS: Summary Report of Operations – For the month of April 2021.

{ } Staff will be making a detailed presentation on this agenda item at the meeting.
{X} This is a routine procedural item, and no presentation is planned for this meeting.
{ } Staff will provide brief comments and answer questions on this item at the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the Department Heads at their earliest convenience.

Monthly Report of Operations

As of April, 2021

Administration	Apr '20	Apr '21	%	YTD 4-30-20	YTD 4-30-21	%
Human Resources						
Total FTE - Filled Positions	105.5	106.5	1%			
Vacancies - all funds	9	33	267%			
New Hires	2	2	0%	14	17	26%
Separations	2	1	-50%	11	18	59%
Muncipal Court						
Total Active Cases Pending (beg. of Month)	15,859	15,857	0%			
New Cases Filed (incl reactivation of inactive)	80	102	28%	2,040	649	-68%
# of Magistrations	22	35	59%	201	178	-11%
Total Cases Disposed of	65	125	92%	1,766	580	-67%
Cases placed on Inactive Status	-	6	0%	495	10	-98%
Total Active Cases Pending (end of Month)	15,856	15,789	0%			
Fines Collected	$ 18,248	$ 34,918	91%	$ 280,145	$ 139,898	-50%
Retained by City	$ 15,840	$ 28,619	81%	$ 210,027	$ 123,255	-41%

Development Services	Apr '20	Apr '21	%	YTD 4-30-20	YTD 4-30-21	%
Construction Permits (all types)	77	138	79%	421	1,247	196%
Revenue from Bldg. Permits	$ 24,612	$ 104,972	327%	$ 107,631	$ 586,916	445%
Inspections (all types)	300	796	165%	1,353	4,338	221%
Revenue from Inspections	$ 40,655	$ 133,978	230%	$ 184,004	$ 822,990	347%
Housing Plats approved (number of lots)	-	-	0%	252	281	12%

Community Services	Apr '20	Apr '21	%	YTD 4-30-20	YTD 4-30-21	%
Library-						
Materials circulated	580	2,358	307%	35,633	24,209	-32%
# Visitors (incl. Progs)	3,461	2,468	-29%	21,175	13,274	-37%
Public Computer Use hrs.	-	10	0%	1,734	141	-92%
Public Computer Use Persons	-	11	0%	2,954	235	-92%
Civic Center - Rentals (all)	-	16	0%	165	45	-73%
Recreation Program -						
Annual Memberships	-	1	0%	48	4	-92%
Monthly Rec Memberships	-	35	0%	953	197	-79%
Facility Rental Fleming Center	-	1	0%	251	1	-100%
Facility Rental Recreation Center	-		0%	122	-	-100%
Sponsored Events	$ -	35.2	0%	$ 7,019	$ 972	-86%

Public Works	Apr '20	Apr '21	%	YTD 4-30-20	YTD 4-30-21	%
Streets:						
Lane miles maintained	57.0	57.8	1%	230	231	1%
Pot holes patched - Square Yards	-	-	0%	234	293	25%
Wide Area patching/renovation - SY	258	-	-100%	637	809	27%
Crack Seal Lbs of Sealent	-	-	0%	5,610	7,092	26%
Drainage:						
Linear feet of drains cleaned	100	-	-100%	8,550	7,352	-14%
# Culverts Cleared	2	-	0%	13	32	146%
Parks:						
Acres Mowed/maintained	-	300	0%	-	716	0%
Reserved Park Facilities	-	-	0%	-	88	0%
# Organized Sports Events	-	-	0%	-	186	0%

Monthly Report of Operations

As of April, 2021

Utilities	Apr '20	Apr '21	%	YTD 4-30-20	YTD 4-30-21	%
Water System:						
# Customers Total/Added by month *		2		3,363	3,454	
Amount Billed	$233,161	$240,844	3%	$ 1,405,795	$ 1,460,932	4%
Meters Replaced	8	77	863%	202	459	127%
# Leaks Repaired	3	-	-100%	30	26	-13%
Vol. water produced (x1,000 gallons)	30,873	29,147	-6%	189,359	191,119	1%
Main Line Breaks	2	-	0%	6	19	217%
Service Line Breaks	1	-	-100%	17	20	18%
Wastewater System:						
# Customers Total/Added by month *		(2)		3,081	3,151	2.3%
Amount Billed	$ 156,354	$ 162,589	4%	$ 942,922	$ 966,077	2.5%
Main Lines repaired	-	-	0%	1	4	300%
Lines replaced (Linear Feet.)	-	-	0%	6	104	1633%
Manholes Cleaned	5	-	-100%	16	32	100%
Average Daily Flow (MGD)	0.6047	0.5858	-3%	0.5538	0.5584	1%
Total Monthly Flow (MGD)	18.7445	18.1596	-3%	17.1672	17.0029	-1%
Trash Collection:						
# Customers Total/Added by month *		20		3,168	3,475	9.7%
Amount Billed	$ 97,054	$ 119,582	23%	$ 608,898	$ 665,795	9.3%

* # Customers Total /Added by month - the purpose here is to track the increase or decrease of customers over the course of the year. C**urrent month** shows the number of customers added in the month. The amount in the first YTD column shows the current number of customers. The final column shows year to date additions.

Police Department	Apr '20	Apr '21	%	YTD 4-30-20	YTD 4-30-21	%
Part I Index Offenses						
Murder (# Victims)	-	-	0%	-	-	0%
Rape(# Victims)	1	1	0%	4	5	25%
Robbery (# Victims)	-	1	0%	5	2	-60%
Aggrivated Assault (# Victims)	1	1	0%	5	3	-40%
Total Violent Index Crimes*	2	3	50%	14	10	-29%
Burglary (# premises entered)	2	7	0%	12	18	50%
Theft (# offenses)	4	11	175%	58	60	3%
Auto Theft (#vehicles)	1	-	-100%	3	7	133%
Arson (# premises)	1	-	-100%	2	-	-100%
Total Property Index Crimes*	8	18	125%	75	85	13%
Total Part I Index Crimes*	10	21	110%	89	95	7%
Part II Index Offenses						
Other Assaults	8	12	50%	58	51	-12%
Weapons	-	-	0%	-	6	0%
Narcotics	2	1	-50%	14	20	43%
DUI	2	5	150%	26	36	38%
All Other Part II Offenses	30	43	43%	269	290	8%
Total Part II Index Crimes*	42	61	45%	367	403	10%
Total All Index Crimes*	**52**	**82**	58%	**456**	**498**	9%

NOTE: Data recorded for the Police Dept. is based on Fiscal Year-to- Date Totals and not Calendar Year.

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: General Activity Report and/or Project Update

DEPARTMENT: City Manager/Staff

PROPOSED ACTION:
No Council action proposed or requested; This item is to allow for general update and/or activities report relating to various on-going city projects or issues.

BACKGROUND:
This item is to provide opportunities for miscellaneous updates and comments by the staff; and general Q&A with the City Council relative to on-going projects and/or issues.

BUDGET/FINANCIAL IMPACT:
Funding for this item was { } included { } not included in the current-year budget {X} N/A

RECOMMENDATION:
N/A

ATTACHMENTS:
None.

{ } Staff will be making a detailed presentation on this agenda item at the meeting.
{X} Staff will provide brief comments and answer questions on this item at the meeting.
{ } This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: City Council Regular Meeting Minutes – May 4, 2021 and May 11, 2021.

DEPARTMENT: Administration

PROPOSED ACTION:

Review and approve the City Council Regular Meeting Minutes - May 4, 2021 and May 11, 2021.

BACKGROUND:

N/A

BUDGET/FINANCIAL IMPACT:

Funding for this item was { } included { } not included in the current-year budget {X} N/A

RECOMMENDATION:

Approval of the City Council Regular Meeting Minutes – May 4, 2021 and May 11, 2021.

ATTACHMENTS: City Council Regular Meeting Minutes – May 4, 2021 and May 11, 2021.

{ }Staff will be making a detailed presentation on this agenda item at the meeting.
{ } Staff will provide brief comments and answer questions on this item at the meeting.
{X} This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.

MINUTES
ELGIN CITY COUNCIL REGULAR MEETING
ELGIN PUBLIC LIBRARY ANNEX COUNCIL CHAMBERS
404 NORTH MAIN STREET
MAY 4, 2021

CALL TO ORDER

Mayor Ramirez called the meeting to order at 7:00 p.m.

ROLL CALL

Present: Ron Ramirez, Mayor
Sue Brashar, Mayor Pro Tem
Mary Penson, Council Member
Jessica Bega, Council Member
Juan Gonzalez, Council Member
Susie Arreaga, Council Member
Thomas Ibis, Council Member
Alvis Prince, Council Member
Forest Dennis, Council Member

Mayor Ramirez stated there was a quorum and that all members were present.

Staff: Thomas L. Mattis, City Manager
Charles Cunningham, Finance Director
Michael Gonzalez, Public Works Director
David Harrell, Planning Director
Pamela Sanders, HR Director
Amy Miller, Community Development Director

INVOCATION

Council Member Gonzalez gave the invocation.

PUBLIC COMMENT

Michel Garvey spoke and thanked the Council for their service. She referenced a handout she provided to Council regarding the covid virus and the ineffectiveness of mask wearing in stopping the transference of the virus. She stated that Ordinance 2021-01-19-02 had which required face masks had expired but that businesses in Elgin still had notices up along with face mask signage and asked that all businesses be notified of the governor's executive order number 34 which removed all restrictions requiring face masks and have them remove the signage.

Greg Hennig spoke and thanked the Council for passing Sip, Shop and Stroll but stated he had concerns that he had mentioned in the past about Main Street getting so crowded and he suggested closing off two or three blocks due to the traffic going through there and the parking making it very dangerous. He asked that they have the police enforce the truck route on main street because they are up and down all day long. Mr. Hennig also suggested moving the elections to the rec center or the church or school because last week the meeting was virtual due to early voting held here.

Mayor Ramirez read a letter sent in by Deb Warmund regarding her concerns about flooding in the Elgin Old Latin Cemetery and asked the Council to consider long and short-term solutions to mitigate the flooding of city park runoff into the cemetery, solicit descendants to actively address deed and land ownership of the land, and identify entities that can address preservation of the cemetery.

PRESENTATION

Mayor Ramirez read the proclamation for the National Historic Preservation Month and presented it to Theresa McShan.

CITY MANAGERS REPORT

1. Discussion and Possible Direction to Staff Regarding Potential Neighborhood Traffic and Safety Upgrades at Ramirez Rd. and South Avenue C.

City Manager Thomas Mattis stated that this item was for further discussion and that this had been discussed over the last few months by Council about potential traffic and safety improvements in different locations around town. Mr. Mattis stated that a particular area is Ramirez Road that has been discussed but no decision had been mad, but it was agreed at the last meeting to extend the truck route here. He stated no decision had been reached about what to do on South Avenue C at the intersection. He stated the Mayor had an idea and had met with the Engineer and had a potential solution. Mayor Ramirez stated that it was his opinion to see what the results of the no truck route would do to the street if they passed the no truck route and if the truckers abide by it, that will clear up a lot of the congestion at that intersection.
Another item that was discussed was putting up barriers or guard rail at the corners coming off 1704 where some cars are plowing off into the ditch.
Council Member Penson moved to make this a temporary project and evaluate the effectiveness. Mayor Pro Tem Brashar seconds the motion. Motion carried 9-0.

2. Update on COVID-19 Pandemic Restrictions Related to City Operations and Facilities.

City Manager Thomas Mattis stated that over the last six months the city had lessened restrictions as it related to city buildings and property.

He stated that the intention was to reopen almost completely the city buildings and field facilities starting Tuesday, May 11th. He stated that face coverings would still be required wherever plex glass barriers or social distancing is not possible and continue to lessen those restrictions. Mr. Mattis stated that staff was working on trying to open the swimming pool by June 1st but having difficulty in hiring people to work there.

3. General Activity Report and/or Project Update.

City Manager Thomas Mattis mention that the city election was held over the weekend and would be seating three new Council Members over the coming days based on the preliminary results we have been provided. He stated that the election results would be certified on May 10th and then canvass the ballots on May 11th with only two Council Members required to be present.

Mayor Ramirez called Council Members Gonzalez and Penson to come to the front and presented them with a plaque thanking them for their years of service.

CONSENT AGENDA

1. City Council Meeting Minutes – April 20, 2021.

Mayor Pro Tem Brashar moved to approve the Consent Agenda. Council Member Dennis seconds the motion. Motion carried 9-0.

NEW BUSINESS

1. Consideration and Possible Action Regarding Projects and Funding to be Included in the City of Elgin 2021 Certificates of Obligation and 2021 Refunding Bonds Program.

Doug Hennig spoke and stated that he still thought that it should go to the public to vote and have a say in it and that he understood there were some must do items and appreciated the City Manager composing the must do list. He stated that he though there should be a mobility bond for different road projects, a public works bond for a new city hall, and that he was still against the central park thing because it's next to the railroad track. Mr. Henning also discussed his concerns with downtown parking, and water rate increases.

Mr. Mattis stated that this had been discussed in great length and that the previous evening there had been a public forum where there were opportunities for questions and comments and exchange of ideas. Mr. Mattis provided must do projects with some of the changes discussed at the last meeting and shared last night. Mr. Mattis discussed the ordinance that would be coming and that it would be a 32-page ordinance with the most pertinent section for the Council would be the recital and the purpose of the certificates. He stated that unless staff got different direction from the Council that staff was moving forward with the assumption this issue would be ready for a vote on May 18th.

ANNOUNCEMENTS

Mayor Ramirez wished Council Member Ibis a happy birthday and also that this Sunday at Sacred Heart Catholic Church they would be providing covid vaccinations and people could pre-register or just walk up.

ADJOURNMENT

Mayor Ramirez adjourned the City Council Meeting at 8:23 pm.

_____
Ron M. Ramirez, Mayor

ATTEST:

_____
Amelia Sanchez, City Secretary

MINUTES
ELGIN CITY COUNCIL SPECIAL MEETING
ELGIN PUBLIC LIBRARY CIVIC CENTER COUNCIL CHAMBERS
404 NORTH MAIN STREET
MAY 11, 2021

CALL TO ORDER

Mayor Pro Tem Brashar called the meeting to order at 3:02 p.m.

ROLL CALL

Present: Sue Brashar, Mayor Pro Tem
Thomas Ibis, Council Member
Forest Dennis, Council Member

Staff: Amelia Sanchez, City Secretary

NEW BUSINESS

1. A RESOLUTION AND ORDER CANVASSING THE RETURNS AND DECLARING RESULTS OF THE CITY OF ELGIN GENERAL ELECTION, MAY 1, 2021.

Council Member Ibis moved to approve the Resolution and Order canvassing the returns and declaring results of the City of Elgin General Election held on May 1, 2021. Council Member Dennis seconds the motion. Motion carried 3-0.

ADJOURNMENT

Mayor Pro Tem Brashar adjourned the City Council Meeting at 3:07 pm.

_____
Ron M. Ramirez, Mayor

ATTEST:

_____
Amelia Sanchez, City Secretary

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF ELGIN, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021; LEVYING AN AD VALOREM TAX AND PLEDGING CERTAIN SURPLUS REVENUES IN SUPPORT OF THE CERTIFICATES; APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND OTHER AGREEMENTS RELATING TO THE SALE AND ISSUANCE OF THE CERTIFICATES; AND ORDAINING OTHER MATTERS RELATING TO THE ISSUANCE OF THE CERTIFICATES

DEPARTMENT: City Manager

PROPOSED ACTION:

This item is for consideration and possible action on an Ordinance authorizing the issuance of 2021 Certificates of Obligation.

BACKGROUND:

Discussed at previous meetings; Staff has submitted its recommendations to Council on the proposed 2021 Certificates of Obligation - which is designed to fund a wide range of capital improvements projects in support of general government, water, and wastewater operations - and the proposed 2021 Refunding Bonds to refinance previously issued debt (that will result in annual debt service savings).

Certificates of Obligation (COs) and debt issuance in general are a necessary component to funding major capital improvement projects for cities where such funds are not available through the annual operating budget. It is also of particular need in rapidly growing cities like Elgin, where demands for improved services and facilities exceed currently available resources.

BUDGET/FINANCIAL IMPACT:

Funding for this item was { } included {X} not included in the current-year budget { } N/A

RECOMMENDATION:

Consideration and possible action on an Ordinance authorizing the issuance of 2021 Certificates of Obligation; and direction to staff, if any, regarding same.

ATTACHMENTS:

April 20 staff presentations on proposed 2021 Certificates of Obligation

{ } Staff will be making a detailed presentation on this agenda item at the meeting.
{X} Staff will provide brief comments and answer questions on this item at the meeting.
{ } This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.

ORDINANCE NO. 2021-__-__-__

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF ELGIN, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021; LEVYING AN AD VALOREM TAX AND PLEDGING CERTAIN SURPLUS REVENUES IN SUPPORT OF THE CERTIFICATES; APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND OTHER AGREEMENTS RELATING TO THE SALE AND ISSUANCE OF THE CERTIFICATES; AND ORDAINING OTHER MATTERS RELATING TO THE ISSUANCE OF THE CERTIFICATES

ADOPTED MAY 18, 2021

TABLE OF CONTENTS

Page

Recitals....1

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES....2
Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES OF CERTIFICATES....2
Section 3. INTEREST....3
Section 4. CHARACTERISTICS OF THE CERTIFICATES....3
Section 5. FORM OF CERTIFICATE....7
Section 6. INTEREST AND SINKING FUND....15
Section 7. REVENUES....15
Section 8. DEFEASANCE OF CERTIFICATES....15
Section 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES....17
Section 10. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED....18
Section 11. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES....18
Section 12. SALE OF CERTIFICATES....21
Section 13. DEFAULT AND REMEDIES....21
Section 14. ESTABLISHMENT OF CONSTRUCTION FUND AND INTEREST EARNINGS....22
Section 15. APPROVAL OF OFFICIAL STATEMENT....22
Section 16. APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT....23
Section 17. CONTINUING DISCLOSURE UNDERTAKING....23
Section 18. NO RECOURSE AGAINST CITY OFFICIALS....27
Section 19. FURTHER ACTIONS....27
Section 20. INTERPRETATIONS....27
Section 21. INCONSISTENT PROVISIONS....27
Section 22. INTERESTED PARTIES....27
Section 23. INCORPORATION OF RECITALS....28
Section 24. REPEALER....28
Section 25. SEVERABILITY....28
Section 26. PERFECTION....28
Section 27. EFFECTIVE DATE....28
Section 28. NO PERSONAL LIABILITY....28

Exhibit A Written Procedures
Exhibit B Description of Annual Financial Information

ORDINANCE NO. 2021-__-__-__

ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF ELGIN, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021; LEVYING AN AD VALOREM TAX AND PLEDGING CERTAIN SURPLUS REVENUES IN SUPPORT OF THE CERTIFICATES; APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND OTHER AGREEMENTS RELATING TO THE SALE AND ISSUANCE OF THE CERTIFICATES; AND ORDAINING OTHER MATTERS RELATING TO THE ISSUANCE OF THE CERTIFICATES

THE STATE OF TEXAS §
COUNTIES OF BASTROP AND TRAVIS §
CITY OF ELGIN §

WHEREAS, the City Council of the City of Elgin, Texas (the "City") deems it advisable to issue certificates of obligation in the amount of $23,725,000* (the "Certificates") for the purpose of paying contractual obligations incurred or to be incurred as set forth herein; and

WHEREAS, the Certificates hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Local Government Code and Chapter 1502, Texas Government Code, as amended; and

WHEREAS, on March 9, 2021 the City Council passed a resolution authorizing and directing the City Secretary to give notice of intention to issue the Certificates; and

WHEREAS, the notice was published on March 17, 2021 and March 24, 2021 in *The Elgin Courier*, a newspaper of general circulation in the City and a "newspaper" as defined in Section 2051.044, Government Code; and

WHEREAS, the City also posted the notice on its internet website at least 46 days prior to, and continuously until, adoption of this Ordinance in accordance with Chapter 271; and

WHEREAS, the City has not received a valid petition from the qualified voters of the City protesting the issuance of the Certificates; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, Texas Government Code; and

WHEREAS, it is considered to be in the best interest of the City that the interest bearing Certificates be issued; therefor,

*Preliminary, subject to change with final pricing of Certificates.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Certificates of the City of Elgin, Texas (the "City") are hereby authorized to be issued and delivered in the aggregate principal amount of $21,050,000* for the purpose of paying contractual obligations incurred or to be incurred for (i) constructing, improving and equipping City park and recreational facilities; (ii) constructing, improving, extending, expanding, upgrading and/or developing streets, roads, bridges, trails, sidewalks, intersections and related costs including water, wastewater and drainage improvements, utility relocation, signage, landscaping, irrigation and purchasing any necessary rights-of-way including County Line road widening project and constructing and renovating downtown sidewalks; (iii) constructing, improving, extending, refurbishing, weatherizing and equipping the City's water and wastewater system including the wastewater treatment plant expansion, additional wastewater lines, lift stations and pumps, replacement of water storage facilities, water wells and refurbishment of water storage tanks; (iv) constructing, improving, renovating, demolishing and equipping City buildings/facilities including a new City Hall Annex located close to or in proximity to the current City Hall, renovation and expansion of current police station and demolition of the building located at 202A Depot Street; and (v) professional services including fiscal, engineering, architectural and legal fees and such other costs incurred in connection therewith including the costs of issuing the Certificates.

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES OF CERTIFICATES. Each certificate issued pursuant to this Ordinance shall be designated: "CITY OF ELGIN, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021", and initially there shall be issued, sold, and delivered hereunder fully registered certificates, without interest coupons, dated May 15, 2021, in the denomination and principal amount hereinafter stated, numbered consecutively from R-1 upward (except the initial Certificate delivered to the Attorney General of the State of Texas which shall be numbered T-1), payable to the respective initial registered owners thereof (as designated in Section 12 hereof), or to the registered assignee or assignees of said Certificates or any portion or portions thereof (in each case, the "Registered Owner"), and the outstanding principal amount of the Certificates shall mature and be payable on July 15 in each of the years and in the principal amount, respectively, as set forth in the following schedule:

YEAR	PRINCIPAL AMOUNT	YEAR	PRINCIPAL AMOUNT
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	

*Preliminary, subject to change with final pricing of Certificates.

2029	2039
2030	2040
2031	2041

The term "Certificate" as used in this Ordinance shall mean and include collectively the Certificates initially issued and delivered pursuant to this Ordinance and all substitute Certificates exchanged therefor, as well as all other substitute Certificates and replacement Certificates issued pursuant hereto.

SECTION 3. INTEREST. The Certificates scheduled to mature during the years, respectively, set forth below shall bear interest from the dates specified in the FORM OF CERTIFICATE set forth in this Ordinance to their respective dates of maturity at the following rates per annum:

YEAR	INTEREST RATE	YEAR	INTEREST RATE
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	

Interest shall be payable in the manner provided and on the dates stated in the FORM OF CERTIFICATE set forth in this Ordinance.

Section 4. CHARACTERISTICS OF THE CERTIFICATES. (a) Registration, Transfer, Conversion and Exchange; Authentication. The City shall keep or cause to be kept at BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other

entity. The Paying Agent/Registrar shall make the Registration Books available within the State of Texas. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

Except as provided in Section 4(c) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, as amended, and particularly Subchapter D thereof, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificate which initially was issued and delivered pursuant to this Ordinance, approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

(b) Payment of Certificates and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Certificate (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificate to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the City at least 45 days prior to any such redemption date which shall indicate to which principal installments the redemption shall be applied), (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned in whole, but not in part, (v) shall have the characteristics, (vi) shall be signed, sealed,

executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Certificate initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange or substitute for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE.

(d) Substitute Paying Agent/Registrar. The City covenants with the Registered Owners of the Certificates that at all times while the Certificates are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 30 days written notice to the Paying Agent/Registrar, to be effective at such time which will not disrupt or delay payment on the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry-Only System. The Certificates issued in exchange for the Certificates initially issued as provided in Section 4(i) shall be issued in the form of a separate single fully registered Certificate for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC") and except as provided in subsection (f) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have

no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown on the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, but to the extent permitted by law, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal of and interest, with respect to such Certificate, for the purposes of registering transfers with respect to such Certificate, and for all other purposes of registering transfers with respect to such Certificates, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the City to make payments of principal, and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the City determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Certificate, the City shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Certificate shall designate, in accordance with the provisions of this Ordinance.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Letter of Representations of the City to DTC.

(h) DTC Blanket Letter of Representations. The City confirms execution of a Blanket Issuer Letter of Representations with DTC establishing the Book-Entry-Only System which will be utilized with respect to the Certificates.

(i) Cancellation of Initial Certificate. On the closing date, one Initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the order of the purchaser of the Certificates or its designee set forth in Section 12 of this Ordinance, executed by manual or facsimile signature of the Mayor or Mayor Pro-tem and City Secretary, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such Underwriters set forth in Section 12 of this Ordinance or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of such Underwriters one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all the Certificates for such maturity.

Section 5. FORM OF CERTIFICATE. The form of the Certificate, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificate initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

FORM OF CERTIFICATE

NO. R-	**UNITED STATES OF AMERICA** **STATE OF TEXAS** **COUNTIES OF BASTROP AND TRAVIS** **CITY OF ELGIN, TEXAS**	**PRINCIPAL AMOUNT** **$_____**

COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2021

INTEREST RATE	**DATE OF CERTIFICATE**	**CLOSING DATE**	**MATURITY DATE**	**CUSIP NO.**
	May 15, 2021	June 10, 2021		

REGISTERED OWNER:

PRINCIPAL AMOUNT: **DOLLARS**

ON THE MATURITY DATE specified above, the CITY OF ELGIN, in the Counties of Bastrop and Travis, State of Texas (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon from the Closing Date, on January 15, 2022 and semiannually on each July 15 and January 15 thereafter to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Certificate is required

to be authenticated and the date of its authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged or converted from is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate is payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at BOKF, NA, which is the "Paying Agent/Registrar" for this Certificate at its designated office for payment currently, Dallas, Texas (the "Designated Payment/Transfer Office"). The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Certificate (the "Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared at the close of business on the last day of the preceding month, whether or not a business day, each such date (the "Record Date") on the registration books kept by the Paying Agent/Registrar (the "Registration Books"). In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice. Notwithstanding the foregoing, during any period in which ownership of the Certificate is determined only by a book entry at a securities depository for the Certificate, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the City and the securities depository.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The City covenants with the Registered Owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is dated May 15, 2021, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $21,050,000*, for the purpose of paying contractual obligations incurred or to be incurred by the City for: (i) constructing, improving and equipping City park and recreational facilities; (ii) constructing, improving, extending, expanding, upgrading and/or developing streets, roads, bridges, trails, sidewalks, intersections and related costs including water, wastewater and drainage improvements, utility relocation, signage, landscaping, irrigation and purchasing any necessary rights-of-way including County Line road widening project, constructing and renovating downtown sidewalks; (iii) constructing, improving, extending, refurbishing, weatherizing and equipping the City's water and wastewater system including the wastewater treatment plant expansion, additional wastewater lines, lift stations and pumps, replacement of water storage facilities, water wells and refurbishment of water storage tanks; (iv) constructing, improving, renovating, demolishing and equipping City buildings/facilities including a new City Hall Annex located close to or in proximity to the current City Hall, renovation and expansion of current police station and demolition of the building located at 202A Depot Street; and (v) professional services including fiscal, engineering, architectural and legal fees and such other costs incurred in connection therewith including the costs of issuing the Certificates..

ON JULY 15, 20__, OR ON ANY DATE THEREAFTER, the Certificates of this Series maturing on and after July 15, 20__ may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, at par plus accrued interest to the date fixed for redemption as a whole, or in part, and, if in part, the particular maturities, and sinking fund installments in the case of Term Certificates, to be redeemed shall be selected and designated by the City and if less than all of a maturity, and sinking fund installments in the case of Term Certificates, is to be redeemed, the Paying Agent/Registrar shall determine by lot or other customary method the Certificates, or a portion thereof, within such maturity to be redeemed (provided that a portion of a Certificate may be redeemed only in an integral multiple of $5,000).

THE CERTIFICATES MATURING ON JULY 15, 20__ and 20__ are subject to mandatory sinking fund redemption prior to maturity in the following amounts on the following dates and at a price of par plus accrued interest to the redemption date ("Term Certificates").

*Preliminary, subject to change with final pricing of Certificates.

Term Certificates Maturing on July 15, 20__

Redemption Date	Principal Amount
July 15, 20__	$
July 15, 20__*	$

*Stated Maturity

Term Certificates Maturing on July 15, 20__

Redemption Date	Principal Amount
July 15, 20__	$
July 15, 20__*	$

*Stated Maturity

THE PRINCIPAL AMOUNT of the Term Certificates required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City by the principal amount of any Term Certificates of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Term Certificates plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

NO LESS THAN 30 days prior to the date fixed for any optional redemption, the City shall cause the Paying Agent/Registrar to send notice by United States mail, first-class postage prepaid to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the Registration Books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of the Certificates. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates. If due provision for such payment is made, all as provided above, the Certificates thereby automatically shall be treated as redeemed prior to its scheduled maturity, and it shall not bear interest after the date fixed for redemption, and it shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

WITH RESPECT TO any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set

forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of $5,000 and any integral multiple of $5,000 in excess thereof. As provided in the Ordinance, this Certificate may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificate, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations of $5,000 and in any integral multiple of $5,000 in excess thereof as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any denomination of $5,000 and any integral multiple of $5,000 in excess thereof to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the City. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the unredeemed balance of the Certificates.

WHENEVER the beneficial ownership of this Certificate is determined by a book entry at a securities depository for the Certificate, the foregoing requirements of holding, delivering or transferring this Certificate shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owner of the Certificates.

IT IS HEREBY CERTIFIED, RECITED AND COVENANTED that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said City, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate, together with other obligations of the City, is additionally secured by and payable from a limited pledge of the surplus revenues of the City's Waterworks and Sewer System, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or part of the Net Revenues of the City's Waterworks and Sewer System, which amount shall not exceed $1,000 all as provided in the Ordinance.

BY BECOMING the Registered Owner of this Certificate, the Registered Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Certificate and the Ordinance constitute a contract between each Registered Owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of said City and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Certificate.

_____ _____

City Secretary Mayor

(CITY SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by
an executed Registration Certificate of the
Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____. **BOKF, NA**
Registrar

By_____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

_____

_____
Please insert Social Security or Taxpayer Identification Number of Transferee

_____

_____
(Please print or typewrite name and address, including zip code, of Transferee)

_____

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____ _____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

_____
Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

INSERTIONS FOR THE INITIAL CERTIFICATE

The Initial Certificate shall be in the form set forth in this Section, except that:

A. immediately under the name of the Certificates, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As Shown Below" and "CUSIP NO." shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"**ON THE DATE SPECIFIED BELOW,** the City of Elgin, Texas (the "City"), being a political subdivision, hereby promises to pay the annual installments set forth below to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on July 15 in each of the years, in the principal installments in the following schedule and bearing interest at the per annum rate stated above:

Year	Principal Amount	Interest Rate

(Information from Sections 2 and 3 to be inserted)

The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Closing Date at the respective Interest Rate per annum specified above. Interest is payable on January 15, 2022 and semiannually on each July15 and January 15 thereafter to the date of payment of the principal installment specified above; except, that if this Certificate is required to be authenticated and the date of its authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The Initial Certificate shall be numbered "T-1."

Section 6. INTEREST AND SINKING FUND. A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the City at an official depository bank of said City. Said Interest and Sinking Fund shall be kept separate and apart from all other

funds and accounts of said City and shall be used only for paying the interest on and principal of said Certificates. All ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said City, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said City, for each year while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. Accrued interest and any premium on the Certificates shall be deposited in the Interest and Sinking Fund and used to pay interest on the Certificates.

Section 7. REVENUES. The Certificates together with other obligations of the City, are additionally secured by and shall be payable from a limited pledge of the surplus revenues of the City's Waterworks and Sewer System remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the City's revenue bonds or other obligation (now or hereafter outstanding) which are payable from all or any part of the net revenues of the City's Waterworks and Sewer System, with such amount not to exceed $1,000 constituting "Surplus Revenues." The City shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to Section 6, to the extent necessary to pay the principal and interest on the Certificates. Notwithstanding the requirements of Section 6, if Surplus Revenues or other revenues are actually on deposit or budgeted for deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to Section 6 may be reduced to the extent and by the amount of the Surplus Revenues then on deposit in the Interest and Sinking Fund or budgeted for deposit therein.

The Mayor of the City Council of the City and the City Secretary of the City are hereby ordered to do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest.

Section 8. DEFEASANCE OF CERTIFICATES. (a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsections (c) and (e) of this Section 8, when payment of the principal of such Certificate, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or

before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the City with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until all Defeased Certificates shall have become due and payable or (3) any combination of (1) and (2). At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Certificate as aforesaid when proper notice of redemption of such Certificates shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with this Ordinance. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of the City Council of the City also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Certificate and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the City Council of the City.

(c) Notwithstanding any provision of any other Section of this Ordinance which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Certificates and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Certificates and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) Notwithstanding anything elsewhere in this Ordinance, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of Certificates and such Certificates shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Certificate affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Certificate to be paid at its maturity, the City retains the right under Texas law to later call that Defeased Certificate for redemption in accordance with the provisions of this Ordinance, the City may call such Defeased Certificate for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Certificate as though it was being defeased at the time of the exercise of the option to redeem the Defeased Certificate and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Certificate.

As used in this Section, "Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City Council of the City adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Certificates are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the City Council of the City adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Certificates, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent. "Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

Section 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES. (a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the Registered Owner applying for a replacement certificate shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the Registered Owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Certificates shall have matured, and no default has occurred which is then

continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificates, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Subchapter B of Chapter 1206, Texas Government Code, this Section 9 of this Ordinance shall constitute authority for the issuance of any such replacement Certificate without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such Certificate is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificate in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for the Certificates issued in conversion and exchange for other Certificates.

Section 10. CUSTODY, APPROVAL, AND REGISTRATION OF THE CERTIFICATE; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The Mayor of the City Council of the City is hereby authorized to have control of the Certificate initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificate pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificate said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificate, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel and the assigned CUSIP numbers, if any, may, at the option of the City, be printed on the Certificate issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Certificate. In addition, if bond insurance is obtained, the Certificate may bear an appropriate legend as provided by the insurer.

Section 11. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES. (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Certificates or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates, other than investment property acquired with --

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Certificates are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior certificates to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) of the Certificates. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the City Manager or Director of Finance to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates. This Ordinance is intended to satisfy the official intent requirements set forth in Section 1.150-2 of the Treasury Regulations.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or

investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The City agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The City covenants that the property constituting the projects financed with the proceeds of the Certificates will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Written Procedures. Unless superseded by another action of the City, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City hereby adopts and establishes the instructions attached hereto as Exhibit "A" as their written procedures for the Certificates and any other tax-exempt debt or obligation outstanding or hereafter issued.

Section 12. SALE OF CERTIFICATES. The Certificates are hereby officially sold and shall be delivered to Stifel, the senior managing underwriter, on behalf of itself and co-managers Frost Bank and Piper Sandler & Co. (collectively, the "Underwriters") in accordance with the terms and provisions of a Purchase Agreement in substantially the form presented at this meeting, which the Mayor of the City is hereby authorized and directed to execute and deliver such Purchase Agreement. The City will initially deliver to the Underwriter the Certificates authorized under this Ordinance. The Certificates shall initially be registered in the name of Cede & Co. The City finds that the terms of the sale are the most advantageous reasonably available.

Section 13. DEFAULT AND REMEDIES. (a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default: (i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or (ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Certificates, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

(b) Remedies for Default. (i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or

employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies; (ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive. (i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance. (ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy. (iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the City Council. (iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the Registered Owners with any liability, or be held personally liable to the Registered Owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

Section 14. ESTABLISHMENT OF CONSTRUCTION FUND AND INTEREST EARNINGS. (a) Construction Fund. A special fund or account, to be designated the City of Elgin Series 2021 Certificate of Obligation Construction Fund (the "2021 Construction Fund") is hereby created and shall be established and maintained by the City at a depository bank of the City. The 2021 Construction Fund shall be kept separate and apart from all other funds and accounts of the City. The 2021 Construction Fund and the Interest and Sinking Fund shall be invested in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, and the City's Investment Policy.

(b) Interest Earnings. Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with the Certificate proceeds for the purpose for which the Certificates are issued as set forth in Section 1 hereof or to pay principal or interest payments on the Certificates; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 11 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 15. APPROVAL OF OFFICIAL STATEMENT. The City hereby approves the form and content of the Official Statement relating to the Certificates and any addenda,

supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement dated May 12, 2021 prior to the date hereof is confirmed, approved and ratified. The City Council hereby finds and determines that the Preliminary Official Statement and final Official Statement were "deemed final" (as that term is defined in 17 C.F.R. Section 240.15c(2)-12) as of their respective dates.

Section 16. APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT. The Paying Agent/Registrar Agreement in substantially the form presented to the Council is hereby approved. The Mayor is hereby authorized to amend, complete or modify such agreement as necessary and is further authorized to execute such agreement and the City Secretary is hereby authorized to attest such agreement, as necessary.

Section 17. CONTINUING DISCLOSURE UNDERTAKING. (a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, (i) within six months after the end of each fiscal year of the City ending in or after 2020, financial information and operating data, which information and data may be unaudited, with respect to the City of the general type included in the final Official Statement authorized by Section 15 of this Ordinance, being the information described in Exhibit "B" hereto and (ii) if not provided as part of such financial information and operating data, audited financial statements of the City, within twelve months after the end of each fiscal year of the City ending in or after 2020. Any financial statements to be so provided shall be (1) prepared in accordance with the accounting principles described in Exhibit "B" hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices. The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Certificates:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other events affecting the tax status of the Certificates;
7. Modifications to rights of holders of the Certificates, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material within the meaning of the federal securities laws;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws;

15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holder, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes. (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as ascribed by SEC Release No. 34-83885, dated August 20, 2018.

The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(d) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 8 of this Ordinance that causes the Certificates no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consents to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Certificates. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

(e) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to Subsection (b) of this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

Section 18. NO RECOURSE AGAINST CITY OFFICIALS. No recourse shall be had for the payment of principal of or interest on the Certificates or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificates.

Section 19. FURTHER ACTIONS. The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, the initial sale and delivery of the Certificates, the Paying Agent/Registrar Agreement, and any insurance commitment letter or insurance policy. In addition, prior to the initial delivery of the Certificates, the Mayor, the City Secretary, the City Manager or Assistant City Manager, the City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy requirements of any bond insurer, or (iii) obtain the approval of the Certificates by the Attorney General's office.

In case any officer of the City whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 20. INTERPRETATIONS. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Certificates and the validity of the lien on and pledge to secure the payment of the Certificates.

Section 21. INCONSISTENT PROVISIONS. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provisions of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 22. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City and the Registered Owners of the Certificates, any right, remedy or claim under or by

reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the registered owners of the Certificates.

Section 23. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

Section 24. REPEALER. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 25. SEVERABILITY. The provisions of this Ordinance are severable; and in case any one or more of the provisions of this Ordinance or the application thereof to any person or circumstance should be held to be invalid, unconstitutional, or ineffective as to any person or circumstance, the remainder of this Ordinance nevertheless shall be valid, and the application of any such invalid provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

Section 26. PERFECTION. Chapter 1208, Government Code, applies to the issuance of the Certificates and the pledge of ad valorem taxes and revenues granted by the City under Sections 6 and 7 of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of ad valorem taxes and revenues granted by the City under Sections 6 and 7 of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 27. EFFECTIVE DATE. This Ordinance shall become effect immediately from and after its passage on first and final reading in accordance with Section 1201.028, Texas Government Code, as amended.

Section 28. NO PERSONAL LIABILITY. No covenant or agreement contained in the Certificates, this Ordinance or any corollary instrument shall be deemed to be the covenant or agreement of any member of the City Council or any officer, agent, employee or representative of the City Council in his individual capacity, and neither the directors, officers, agents, employees or representatives of the City Council nor any person executing the Certificates shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the issuance of the Certificates.

IN ACCORDANCE WITH SECTION 1201.028, Texas Government Code, passed and approved on the first and final reading on the 18th day of May, 2021.

_____
Mayor, City of Elgin, Texas

ATTEST:

_____
City Secretary, City of Elgin, Texas

APPROVED AS TO FORM:

_____
City Attorney, City of Elgin, Texas

[Signature Page]

EXHIBIT "A"

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds, Notes, Certificates, Leases or other Obligations now or hereafter outstanding as having the interest on such debt exempt from Federal income taxes of the debt holder (the "Obligations") the Issuer's City Manager or Director of Finance (the "Responsible Person") will, as applicable to each issuance of Obligations:

- instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within 6 months of the Issue Date;
- monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of any facilities are expended within 3 years of the date of delivery of the Obligations ("Issue Date");
- restrict the yield of the investments to the yield on the Obligations after 3 years of the Issue Date;
- monitor all amounts deposited into a sinking fund or funds, e.g., the Debt Service Fund/Bond Fund/Interest and Sinking Fund, to assure that the maximum amount invested at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12-month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period;
- ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more;
- assure that the maximum amount of any reserve fund for any Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date;
- monitor the actions of the escrow agent (to the extent an escrow is funded with proceeds) to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;
- maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
- assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least

every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the Responsible Person will:

- monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- determine whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- determine whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and
- take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Order related to the public use of the facilities.

C. Record Retention. The Responsible Persons will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations. The foregoing notwithstanding, the Responsible Persons are authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT "B"

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 17 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

(1) Table 1 - Valuation, Exemptions and Ad Valorem Tax Debt;
(2) Table 2 - Taxable Assessed Valuations by Category;
(3) Table 3 - Valuation and General Obligation Debt History;
(4) Table 4 - Tax Rate, Levy and Collection History;
(5) Table 5 - Ten Largest Taxpayers;
(6) Table 6 - Tax Adequacy;
(7) Table 8 – Ad Valorem Tax Debt Service Requirements;
(8) Table 9 - Interest and Sinking Fund Budget Projection;
(9) Table 10 - Computation of Self-Supporting Debt;
(10) Table 11 – Authorized But Unissued General Obligation Bonds;
(11) Table 12 – Other Obligations;
(12) Table 13 – General fund Revenues and Expenditure History;
(13) Table 14 – Municipal Sales Tax History;
(14) Table 15 – Current Investment;
(15) Appendix C - Excerpts from the City's Annual Financial Report

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in the paragraph above.

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

(GENERAL GOVERNMENT, WATER, & SEWER)

2021 REFUNDING BONDS

APRIL 20, 2021

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

- On March 9, Council approved a statement of "intent to issue" 2021 Certificates of Obligation in the **not-to-exceed** amount of **$25,890,000**
- The final debt amount to be issued can only be reduced and cannot increase without restarting the process
- **9M+** General Government - without increasing the Debt Portion of the City's Property Tax Rate
- **$4.8M** Water Fund - projected max. monthly rate increase $3.67
- **$9.7M** Wastewater Fund – proj. max. monthly rate increase $4.48

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

- Certificates of Obligation (COs) and debt issuance in general are a necessary component to funding major capital improvement projects for cities where such funds are not available through the annual operating budget.
  - *FY20-21 Total Annual Budget – All Funds* - $18.8M
  - *General Fund* - $9.5M
  - *Utility Fund (combined water & wastewater)* – $5.6M
- It is also of particular need in rapidly growing cities like Elgin, where demands for improved services and facilities exceed currently available resources.

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

	Planned/ Actual Obligations Est. Cost	Projected Funds Available					
		CO 2016 Balance	CO 2019A Balance	NEW 2021 CO	Developer Reimburse-ment	Grants	Total Funds Avail.
General Govt. Fund	14,144,860	-	-	9,530,000	3,743,860	871,000	14,144,860
Water Fund	9,691,959	-	-	4,792,118	-	4,899,841	9,691,959
Sewer Fund	19,014,202	5,550,000	800,000	9,740,000	2,574,202	350,000	19,014,202
Total	42,851,021	5,550,000	800,000	24,062,118	6,318,062	6,120,841	42,851,021

The column on the chart highlighted in yellow shows the amount of the bond allocated for each fund.

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

Combined with outside resources, investment will facilitate a total of **$42M** in capital improvements

2021 COs	$ 24,062,118
2016 & 2019 COs Reserves	$ 6,350,000
Private Developer Contributions	$ 6,318,062
Grant Funding	$ 5,770,841
Anticipated Grant Funding	$ 350,000
Total Investment	$ 42,851,021

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

73% of the proceeds from the 2021 Certificates of Obligation as currently proposed is devoted to funding **five (5)** projects:

- *County Line Road - Phase I*
- *Water Plant Winterization* (52% - Water)
- *Treatment Plant Expansion* (78% - Wastewater)
- *City Hall Annex*
- *EPD Station Renovations*

- All such projects (except for WTP Winterization) have been part of the approved Five-Year Capital Plan for a number of years

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION
GENERAL GOVERNMENT

	PROJECTS	Planned/ Actual Obligations	Projected Funds Available				
	General Government	**Est. Cost**	**CO 2016 Balance**	**NEW 2021 CO**	**Developer Reimburse-ment**	**Grants**	**Total Funds Avail.**
26	Memorial Park Restroom	160,000	-	160,000	-	-	160,000
	Thomas Park Improvements	150,000	-	150,000	-	-	150,000
	Phase I - Central Park Improvements	100,000		100,000	-	-	100,000
24	Pave Alleyways Downtown	500,000	-	500,000		-	500,000
21	County Line Road Widening	6,743,860	-	3,000,000	3,743,860	-	6,743,860
	WW Lines/Heritage Lakes Upsize	950,000	-	950,000	.	-	950,000
	New City Hall Annex	2,500,000		2,500,000	-	-	2,500,000
	Add/Renovate Police Dept Bldg. + equipt.	1,950,000		1,950,000	-	-	1,950,000
25	Bldg. Renovation - 202 Depot St.	100,000	-	100,000	-	-	100,000
21	Demolish Bldg, - 202A Depot St.	20,000	-	20,000	-	-	20,000
31	Downtown Revital. Sidewalks MLK	575,000		75,000	-	500,000	575,000
	SRTS Schools - Downtown Connect	396,000	-	25,000	-	371,000	396,000
	Total	14,144,860	-	9,530,000	3,743,860	871,000	14,144,860

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION
WATER FUND

PROJECTS	Planned/ Actual Obligations	Projected Funds Available			
Water Fund	Est. Cost	NEW 2021 CO	Developer Reimburse-ment	Grants	Total Funds Avail.
52 Water Well No. 10	900,000	900,000	-	-	900,000
53 FM1100 Water Main	842,625	842,625	-	-	842,625
Refurbish Water Storage Tanks *	500,000	500,000	-	-	500,000
Weatherize Water Treatment Plant, wells and distribution system.	2,500,000	2,500,000	-	-	2,500,000
56 Pistol Hill Water Tank-Replace	4,949,334	49,493	-	4,899,841	4,949,334
Total- Projects	9,691,959	4,792,118	-	4,899,841	9,691,959

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION
SEWER FUND

PROJECTS	Planned/ Actual Obligations	Projected Funds Available					
Wastewater Fund	**Est. Cost**	**CO 2016 Balance**	**CO 2019A Balance**	**NEW 2021 CO**	**Developer Reimburse-ment**	**Grants**	**Total Funds Avail.**
30 WWTPlant Expansion-Construct,	15,944,202	5,000,000	800,000	7,570,000	2,574,202	-	15,944,202
20 WW Lines/Lift Station - FM1704	2,300,000	550,000	-	1,750,000	-	-	2,300,000
Elm Creek Lift Station Rehab	350,000	-	-	350,000	-	-	350,000
54 Carver Street Lift Station	420,000	-	-	70,000	-	350,000	420,000
Total	19,014,202	5,550,000	800,000	9,740,000	2,574,202	350,000	19,014,202

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

Continuing Discussion

- Invest now; increased revenues in the future
- Planning for all projects predicated on the assumption that City will not be considering another debt issuance for at least 2-3 years
- Prioritization of projects means if not funded now, project likely not start for at least 3 years

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

Continuing Discussion

- Staff continues to support initially recommended projects and funding
- Feedback from Council has indicated a desire for certain adjustments and reduction in costs
- CM has developed revised listing of projects and funding based on comments made at prior Council Meetings and through discussion with individual Councilmembers
- Focus is on developing list of projects or issues that require further Council deliberations

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

Proposed Reorganization of Projects

1. **"Must do now"**
2. **Majority Support**
3. **To Be Determined**

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

"Must Do Now" Projects

- County Line Road Widening - $3,000,000
- Add/Renovate EPD Bldg - $1,950,000
- Bldg Renovation – 202 Depot - $100,000
- Demolish Bldg. – 202A Depot - $20,000
- Downtown Revitalization Sidewalks MLK - $75,000
- SRTS Schools – Downtown Sidewalks - $25,000
- WWTP Expansion - $7,570,000
- Water Well No. 10 - $900,000
- FM1100 Water Main - $842,625
- Refurbish Storge Tanks - $500,000
- Pistol Hill Water Tank - $49,493
- Lift Station – FM1704 - $1,750,000
- Elm Creek Lift Station Rehab - $350,000
- Carver St. Lift Station – $420,000

$17.2M

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

Majority Support Projects

- Memorial Park Restroom - $160,000
- Thomas Park Improvements - $150,000
- Phase I – Central Park Improvements - $100,000
- Pave Alleyways Downtown - $500,000

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

To Be Determined Projects

- WW Lines/Harvest Ridge Upsizing - $950,000
- Weatherize WTP, etc. - $2,500,000
- New City Hall Annex – $2,500,000

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

Proposed Adjustments

a) Delete “Pave Alleyways Downtown” - $500,000”

b) Increase “Phase I – Central Park Improvements” by $500,000

c) Remove “Bldg Renovation – 202 Depot - $100,000” (Poth Building) from CO financing

d) Reduce “WW Lines/Harvest Ridge Upsizing” by $425,000

e) Reduce “Weatherize Water Treatment Plant, etc.” by $1M

f) Reduce “Issuance costs” by $990k

g) “New City Hall Annex” - **??**

2021 CERTIFICATES OF OBLIGATION

	INITIAL
General Government	
Memorial Park Restroom	160,000
Thomas Park Improvements	150,000
Phase I – Central Park Improvements	100,000
Pave Alleyways Downtown	500,000
County Line Road Widening	3,000,000
WW Lines/Harvest Ridge Upsizing	950,000
New City Hall Annex	2,500,000
Add/Renovate Police Dept Bldg	1,950,000
Bldg Renovation – 202 Depot St.	100,000
Demolish Bldg. – 202A Depot St.	20,000
Downtown Revital. Sidewalks MLK	75,000
STRS Schools – Downtown Sidewalks	25,000
	$ 9,530,000
Water	
Water Well No. 10	900,000
FM1100 Water Main	842,625
Refurbish Storage Tanks	500,000
Weatherize Water Treatment Plant	2,500,000
Pistol Hill Water Tank	49,493
	$ 4,792,118
Wastewater	
WWTP Expansion	7,570,000
Lift Station – FM1704	1,750,000
Elm Creek Lift Station Rehab	350,000
Carver St Lift Station	70,000
	$ 9,740,000
Issuance costs (a)	$ 890,000
Est. Reimbursement Resolution (b)	$ 937,882
Total - All Funds	$ 25,890,000 (c)

	INITIAL (d)	ADJUSTMENTS	REVISED
"Must Do Now" Projects			
County Line Road Widening	3,000,000	-	3,000,000
Add/Renovate Police Dept Bldg	1,950,000	-	1,950,000
Bldg Renovation – 202 Depot St.	100,000	(100,000)	-
Demolish Bldg. – 202A Depot St.	20,000	-	20,000
Downtown Revital. Sidewalks MLK	75,000	-	75,000
STRS Schools – Downtown Sidewalks	25,000	-	25,000
Water Well No. 10	900,000	-	900,000
FM1100 Water Main	842,625	-	842,625
Refurbish Storage Tanks	500,000	-	500,000
Pistol Hill Water Tank	49,493	-	49,493
WWTP Expansion	7,570,000	-	7,570,000
Lift Station – FM1704	1,750,000	-	1,750,000
Elm Creek Lift Station Rehab	350,000	-	350,000
Carver St Lift Station (e)	70,000	350,000	420,000
	$ 17,202,118	**$ 250,000**	**$ 17,452,118**
Majority Support			
Memorial Park Restroom	160,000	-	160,000
Thomas Park Improvements	150,000	-	150,000
Phase I – Central Park Improvements	100,000	500,000	600,000
Pave Alleyways Downtown	500,000	(500,000)	-
	$ 910,000	**$ -**	**$ 910,000**
To be determined			
Weatherize Water Treatment Plant	2,500,000	(1,000,000)	1,500,000
WW Lines/Harvest Ridge Upsizing	950,000	(425,000)	525,000
New City Hall Annex	2,500,000	-	2,500,000
	$ 5,950,000	**$ (1,425,000)**	**$ 4,525,000**
	$ 890,000	$ (52,032)	$ 837,968
	$ 937,882	$ (937,882)	$ -
	$ 25,890,000	$ (2,164,914)	$ 23,725,086

2021 CITY OF ELGIN CERTIFICATES OF OBLIGATION

"New City Hall Annex" Project

- City has clear, short-term need for additional office space
- Current operations are close to max-out of all office space within city-owned buildings currently available to operations
- Operational growth will continue in coming years
- Current proposal is much about timing – given very limited opportunities to acquire "next door property"

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS AUTHORIZING THE ISSUANCE OF CITY OF ELGIN, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; OTHER AGREEMENTS RELATING TO THE SALE AND ISSUANCE OF THE BONDS; CALLING CERTAIN OBLIGATIONS FOR REDEMPTION; AND AUTHORIZING OTHER MATTERS RELATING TO THE ISSUANCE OF THE BONDS

DEPARTMENT: City Manager

PROPOSED ACTION:
This item is for consideration and possible action on an Ordinance authorizing the issuance of 2021 Refunding Bonds.

BACKGROUND:
Discussed at previous meetings; Staff has submitted its recommendations to Council on the proposed 2021 Certificates of Obligation and 2021 Refunding Bonds.

The refunding bonds will essentially "refinance" some existing debt obligations of the City at a lower interest rate than what that debt was originally financed in 2007-09 – which will ultimately result indirect savings to property taxpayers.

BUDGET/FINANCIAL IMPACT:
Funding for this item was { } included {X} not included in the current-year budget { } N/A

RECOMMENDATION:
Consideration and possible action on an Ordinance authorizing the issuance of 2021 Refunding Bonds; and direction to staff, if any, regarding same.

ATTACHMENTS:
Original staff presentation on proposed 2021 2021 Refunding Bonds.

{ } Staff will be making a detailed presentation on this agenda item at the meeting.
{X} Staff will provide brief comments and answer questions on this item at the meeting.
{ } This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.

ORDINANCE NO. 2021-__-__-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS AUTHORIZING THE ISSUANCE OF CITY OF ELGIN, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; OTHER AGREEMENTS RELATING TO THE SALE AND ISSUANCE OF THE BONDS; CALLING CERTAIN OBLIGATIONS FOR REDEMPTION; AND AUTHORIZING OTHER MATTERS RELATING TO THE ISSUANCE OF THE BONDS

Adopted May 18, 2021

TABLE OF CONTENTS

		PAGE
Section 1.	Recitals, Amount and Purpose of Bonds	2
Section 2.	Designation, Date, Denominations, Numbers and Maturities of Bonds	2
Section 3.	Interest	3
Section 4.	Characteristics of the Bonds	4
Section 5.	Form of Bond	7
Section 6.	Tax Levy	15
Section 7.	Establishment of Escrow Fund	16
Section 8.	Defeasance of Bonds	16
Section 9.	Damaged, Mutilated, Lost, Stolen or Destroyed Bonds	17
Section 10.	Custody, Approval and Registration of Bond; Bond Counsel's Opinion and Contingent Insurance Provision, if Obtained	18
Section 11.	Covenants Regarding Tax Exemption of Interest on the Bond	19
Section 12.	Sale of Bond	22
Section 13.	Reserved	22
Section 14.	Approval of Escrow Agreement and Transfer of Funds	22
Section 15.	Approval of a Paying Agent/Registrar Agreement	22
Section 16.	Notices of Redemption	23
Section 17.	Notice to Paying Agent	23
Section 18.	Continuing Disclosure of Information	23
Section 19.	Amendment of Ordinance	27

Section 20. Remedies in Event of Default 28

Section 21. Appropriation 29

Section 22. No Recourse Against City Officials 29

Section 23. Further Actions 29

Section 24. Interpretations 30

Section 25. Inconsistent Provisions 30

Section 26. Interested Parties 30

Section 27. Severability 30

Section 28. Payment of Attorney General Fee 30

Exhibit A Written Procedures Relating to Continuing Compliance with Federal Tax Covenants
Exhibit B Purchase Agreement
Exhibit C Escrow Agreement
Exhibit D Paying Agent/Registrar Agreement
Exhibit E Notices of Defeasance/Redemption
Exhibit F Continuing Disclosure

ORDINANCE NO. 2021-__-__-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS AUTHORIZING THE ISSUANCE OF CITY OF ELGIN, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; OTHER AGREEMENTS RELATING TO THE SALE AND ISSUANCE OF THE CERTIFICATES; CALLING CERTAIN OBLIGATIONS FOR REDEMPTION; AND AUTHORIZING OTHER MATTERS RELATING TO THE ISSUANCE OF THE BONDS

THE STATE OF TEXAS §
COUNTIES OF BASTROP AND TRAVIS §
CITY OF ELGIN §

WHEREAS, the City has duly issued and there is now outstanding the following obligations: City of Elgin, Texas Combination Tax and Revenue Certificates of Obligation, Series 2007 the "Series 2007 Certificates"), City of Elgin, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2008 (the "Series 2008 USDA Certificates"), City of Elgin, Texas Combination Tax and Revenue Certificates of Obligation, Series 2009 (the "Series 2009 Certificates"), City of Elgin, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2009 (the "Series 2009 USDA Certificates"), City of Elgin, Texas Combination Tax and Revenue Certificates of Obligation, Series 2011 (the "Series 2011 Certificates"), City of Elgin, Texas Limited Tax Refunding Bonds, Series 2013 (the "Series 2013 Bonds"), City of Elgin, Texas Combination Tax and Revenue Certificates of Obligation, Series 2013 (the "Series 2013 Certificates"), City of Elgin, Texas General Obligation Refunding Bonds, Series 2015 (the "Series 2015 Bonds"), City of Elgin, Texas Combination Tax and Limited Revenue Certificates of Obligation, Series 2019A (the "Series 2019A Certificates"), and City of Elgin, Texas Combination Tax and Subordinate Lien Tax Increment Reinvestment Zone No. One Revenue Certificates of Obligation, Series 2019B (the "Series 2019B Certificates");

WHEREAS, the City now desires to issue refunding bonds to refund all or a portion of the outstanding Series 2007 Certificates, Series 2008 USDA Certificates, Series 2009 Certificates, Series 2009 USDA Certificates, and the Series 2011 Certificates that are subject to redemption (the "Refunded Obligations"); and

WHEREAS, the City Council of the City deems it advisable and in the best interest of the City to refund the Refunded Obligations in order to achieve a gross savings of $_____ and a net present value savings of $_____; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207") authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof together with any other available funds or resources, directly with a place of payment (paying agent)

for the Refunded Obligations, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 further authorizes the City to enter into an agreement with a paying agent for the Refunded Obligations with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such paying agent may agree, provided that such deposits may be invested and reinvested in Defeasance Securities, as defined herein; and

WHEREAS, Chapter 1207 further authorizes the City to enter into an escrow agreement with a paying agent for the Refunded Obligations or with a trust company or commercial bank that does not act as depository for the City with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such escrow agent may agree, provided that such deposits may be invested and reinvested in Defeasance Securities, as defined herein; and

WHEREAS, the Escrow Agreement hereinafter authorized, constitutes an agreement of the kind authorized and permitted by said Chapter 1207; and

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bond hereinafter authorized; and

WHEREAS, the City deems it appropriate to call for redemption the Refunded Obligations; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, Texas Government Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS, THAT:

Section 1. <u>RECITALS, AMOUNT AND PURPOSE OF THE BONDS</u>. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this section. The bond of the City is hereby authorized to be issued pursuant to Chapter 1207, Texas Government Code, as amended and delivered in the aggregate principal amount of $9,125,000* to refund the Refunded Obligations and pay the costs associated with the issuance of the Bonds as further set forth in the preamble to this Ordinance.

Section 2. <u>DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITY OF THE BONDS</u>. The Bonds issued pursuant to this Ordinance shall be designated: **"CITY OF ELGIN, TEXAS GENERAL OBLIGATION REFUNDING BONDS,**

*Preliminary, subject to change with final pricing of Bonds.

SERIES 2021" and initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, dated May 15, 2021, in the respective denominations and principal amounts hereinafter stated, numbered consecutively from R-1 upward (except the Initial Bond submitted to the Attorney General of the State of Texas which will be numbered T-1), payable to the respective initial registered owners thereof (as designated in Section 12 hereof), or to the registered assignee or assignees of the Bonds or any portion or portions thereof (in each case, the "Registered Owner"), and the Bonds shall mature and be payable serially on July 15 in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

YEAR	AMOUNT	YEAR	AMOUNT
2022	$	2035	$
2023		2036	
2024		2037	
2025		2038	
2026		2039	
2027		2040	
2028		2041	
2029		2042	
2030		2043	
2031		2044	
2032		2045	
2033		2046	
2034		2047	

The term "Bonds" as used in this Ordinance shall mean and include collectively the bonds initially issued and delivered pursuant to this Ordinance and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

Section 3. INTEREST. The Bonds scheduled to mature during the years, respectively, set forth below shall bear interest from the dates specified in the FORM OF BOND set forth in this Ordinance to their respective dates of maturity at the following rates per annum:

YEAR	RATE	YEAR	RATE
2022	%	2035	%
2023		2036	
2024		2037	
2025		2038	
2026		2039	
2027		2040	
2028		2041	
2029		2042	
2030		2043	
2031		2044	
2032		2045	
2033		2046	

YEAR	RATE	YEAR	RATE
2034		2047	

Interest shall be payable in the manner provided and on the dates stated in the FORM OF BOND set forth in this Ordinance.

Section 4. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange; Authentication. The City shall keep or cause to be kept at BOK Financial, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Bond (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bond shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar shall make a copy of the Registration Books available in the State of Texas. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond. Registration of assignments, transfers, conversions and exchanges of the Bond shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in Section 4(c) hereof, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional orders, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bond in the manner prescribed herein, and the Bond shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, as amended, and particularly Subchapter D thereof, the duty of conversion and exchange of the Bond as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bond which initially was issued

and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Bond and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bond, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bond, and of all conversions and exchanges of the Bond, and all replacements of the Bond, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bond (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bond to be payable only to the Registered Owners thereof, (ii) may be transferred and assigned, (iii) may be converted and exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed, sealed, executed and authenticated, (vi) the principal of and interest on the Bond shall be payable, and (vii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Bond, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance. The Bond initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The City covenants with the Registered Owner of the Bond that at all times while the Bond is outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bond under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 30 days written notice to the Paying Agent/Registrar, to be effective at such time which will not disrupt or delay payment on the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bond, to the new

Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bond, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry-Only System. The Bonds issued in exchange for the Bonds initially issued as provided in Section 4(i) shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC") and except as provided in subsection (f) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown on the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, but to the extent permitted by law, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal of and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the City to make payments of principal, and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the City determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bond, the City shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Bond shall designate, in accordance with the provisions of this Ordinance.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations of the City to DTC.

(h) DTC Blanket Letter of Representations. The City confirms execution of a Blanket Issuer Letter of Representations with DTC establishing the Book-Entry-Only System which will be utilized with respect to the Bonds.

(i) Cancellation of Initial Bond. On the closing date, one Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the purchaser of the Bonds or its designee set forth in Section 12 of this Ordinance, executed by manual or facsimile signature of the Mayor or Mayor Pro-tem and City Secretary, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such Purchasers set forth in Section 12 of this Ordinance or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of such Purchasers one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all the Bonds for such maturity.

Section 5. FORM OF BOND. The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, the form of initial Bond and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bond initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance including any reproduction of an opinion of counsel and information regarding the issuance of any bond insurance policy.

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF TEXAS
ELGIN COUNTY

CITY OF ELGIN, TEXAS
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2021

NO. R- **PRINCIPAL AMOUNT $**

INTEREST RATE	DATE OF BOND	MATURITY DATE	CUSIP NO.
%	May 15, 2021		

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, **ELGIN, TEXAS** (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon from the Date of Bond, beginning on July 15, 2021, and semiannually thereafter on each January 15 and July 15 to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above calculated on the basis of a 360-day year of twelve 30-day months; except that if this Bond is required to be authenticated and the date of its authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the City and the securities depository.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at BOK Financial (the "Paying Agent/Registrar") at their office for payment in Dallas, Texas (the "Designated Payment/Transfer

Office"). The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the close of business on the last day of the month next preceding each such date (the "Record Date") on the registration books kept by the Paying Agent/Registrar (the "Registration Books"). In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

ANY ACCRUED INTEREST due at maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The City covenants with the Registered Owner of this Bond that on or before each payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is dated May 15, 2021, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of **$**9,125,000* **TO REFUND THE REFUNDED OBLIGATIONS AND PAY THE COSTS ASSOCIATED WITH THE ISSUANCE OF THE BOND.**

ON July 15, 20__ OR ON ANY DATE THEREAFTER, the Bonds maturing on and after July 15, 20__ may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular Bonds, or portions thereof, or the sinking fund installments in the case of the Term Bonds, defined below, to be redeemed shall be selected and designated by the City, and if less than all of a maturity or sinking fund installment is to be redeemed the Registrar shall determine by lot or other customary method the Bonds, or portions thereof within such maturity or sinking fund installment to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of $5,000 of principal amount).

THE BONDS MATURING ON July 15, 20__ and 20__ are subject to mandatory sinking fund redemption prior to maturity in the following amounts on the following dates and at a price of par plus accrued interest to the redemption date ("Term Bonds").

Term Bonds Maturing on September 1, 20__*

Redemption Date	Principal Amount
September 1, 20	$
September 1, 20	$

*Stated Maturity

Term Bonds Maturing on September 1, 20__*

Redemption Date	Principal Amount
September 1, 20	$
September 1, 20	$

*Stated Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City by the principal amount of any Term Bonds of the stated maturity which, at least 45 days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

*Preliminary, subject to change with final pricing of Bonds.

NO LESS THAN 30 days prior to the date fixed for any such optional redemption, the City shall cause the Paying Agent/Registrar to send notice by United States mail, first-class postage prepaid to the Registered Owner of each Bond to be redeemed at its address as it appeared on the Registration Books of the Paying Agent/Registrar at the close of business on the 45th day prior to the redemption date and to major securities depositories, national bond rating agencies and bond information services; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of the Bond. If the Registered Owner is acting as Paying Agent/Registrar for the Bond, such notice of redemption need not be sent to the Registered Owner. by the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bond or portions thereof which are to be so redeemed. If due provision for such payment is made, all as provided above, the Bond or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bonds shall be redeemed a substitute Bonds or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Bond Ordinance.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Bond Ordinance, this Bond, or any unredeemed portion hereof, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the City. In any circumstance, any taxes

or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange during the period commencing on the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bond is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Bond.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limit prescribed by law.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each Registered Owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Bond to be signed with the manual or facsimile signature of the Mayor or Mayor Pro-tem of the City and countersigned with the manual or facsimile signature of the City Secretary and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Bond.

CITY OF ELGIN, TEXAS

By: _____
City Secretary
[CITY SEAL]

By: _____
Mayor

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Order described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

_____
Registrar

By _____
Authorized Representative

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

_____

_____
Please insert Social Security or Taxpayer Identification Number of Transferee

_____

_____
(Please print or typewrite name and address, including zip code of Transferee)

_____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this_____.

Comptroller of Public Accounts
of the State of Texas

[COMPTROLLER'S SEAL]

INSERTIONS FOR THE INITIAL BOND

The Initial Bond shall be in the form set forth in this Section, except that:

A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"**ON THE MATURITY DATE SPECIFIED BELOW,** the City of Elgin, Texas (the "City"), being a political subdivision, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on July 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Year of Maturity	Amount Maturing	Interest Rate

(Information from Sections 2 and 3 to be inserted)

The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Bond at the respective Interest Rate per annum specified above. Interest is payable on July 15, 2021 and semiannually on each January 15 and July 15 thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The initial Bond shall be numbered "T-1."

Section 6. TAX LEVY. A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Bond, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City and shall be used only for paying the interest on and principal of the Bond. All ad valorem taxes levied and collected for and on account of the Bond shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while the Bond or interest thereon is outstanding and unpaid, the governing body of the City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bond as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of the Bond as such principal matures (but never less than 2% of the original principal amount of the Bond as a sinking fund each year); and the tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City for each year while the Bond or interest thereon is outstanding and unpaid; and the tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bond, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. Accrued interest on the Bond shall be deposited in the Interest and Sinking Fund.

Chapter 1208, Texas Government Code, applies to the issuance of the Bond and the pledge of the ad valorem taxes granted by the City under this Section, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bond is outstanding and unpaid such that the pledge of the ad valorem taxes granted by the City under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Owner of the Bond the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 7. ESTABLISHMENT OF ESCROW FUND. (a) Escrow Fund. The proceeds

of the Bond, together with any cash contribution, in an amount necessary to refund the Refunded Obligations shall be deposited in the Escrow Fund created and governed by the terms of the Escrow Agreement dated June 10, 2021 attached hereto as Exhibit "C."

(b) Interest Earnings. Interest earnings derived from the investment of proceeds from the sale of the Bond shall be used along with the Bond proceeds for the purpose for which the Bond is issued as set forth in Section 1 hereof or to pay principal or interest payments on the Bond; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 11 hereof in order to prevent the Bond from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 8. DEFEASANCE OF BOND. (a) The Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or a commercial bank or trust company for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the City with the Paying Agent/Registrar or a commercial bank or trust company for the payment of its services until the Defeased Bond shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bond shall have been given, in accordance with this Ordinance. Any money so deposited with the Paying Agent/Registrar or a commercial bank or trust company as provided in this Section may at the discretion of the City Council also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or a commercial bank or trust company pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the City Council.

(c) Notwithstanding any provision of any other Section of this Ordinance which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held

in trust pursuant to the provisions of this Section for the payment of principal of the Bond and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the Bond and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until the Defeased Bond shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bond the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) Notwithstanding anything elsewhere in this Ordinance, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or a commercial bank or trust company pursuant to this Section for the payment of the Bond and such Bond shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the City retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of the Ordinance authorizing its issuance, the City may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

As used in this section, Defeasance Securities means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City Council adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bond are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (iii) noncallable obligations of a state or an agency or a City, municipality, or other political subdivision of a state that have been refunded and that, on the date the City Council adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bond, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent. "Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

Section 9. <u>DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS</u>.

(a) <u>Replacement Bonds</u>. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the Registered Owner applying for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the Registered Owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the Registered Owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B of Texas Government Code, Chapter 1206, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 10. CUSTODY, APPROVAL, AND REGISTRATION OF BOND; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The Mayor of the City is hereby authorized to have control of the Bond initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bond the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate

attached to such Bond, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the City's Bond Counsel and the assigned CUSIP numbers may, at the option of the City, be printed on the Bond issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owner of the Bond. In addition, if bond insurance or other credit enhancement is obtained, the Bond may bear an appropriate legend.

Section 11. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BOND. (a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to use all of the proceeds of the Bonds for the payment of principal, interest and redemption premium on the Prior Bonds;

(2) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the Prior Bonds or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Bonds or the Prior Bonds or the projects financed or refinanced therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(3) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the Prior Bonds or the projects financed or refinanced therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(4) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(5) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(6) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(7) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(8) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) [and] proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which

are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the City Manager or Director of Finance to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Order (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer agrees to obtain the advice of nationally- recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Designation as Qualified Tax-Exempt Obligations. The City hereby designates the Certificates as "qualified tax-exempt bonds" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants and warrants the following: (a) that during the calendar year in which the Certificates are issued, the City (including any subordinate entities) has not designated nor will designate bonds, which when aggregated with the Certificates, will result in more than $10,000,000 of "qualified tax-exempt bonds" being issued; (b) that the City reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Certificates are issued, by the City (or any subordinate entities) will not exceed $10,000,000; and (c) that the City will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

(f) Disposition of Project. The Issuer covenants that the property constituting the projects financed or refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(g) Written Procedures. Unless superseded by another action of the Issuer, to ensure

compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the Issuer hereby adopts and establishes the instructions attached hereto as Exhibit "A" as their written procedures for the Bonds and any other tax-exempt debt or obligation outstanding or hereafter issued.

Section 12. SALE OF BONDS. The Bonds are hereby officially sold and shall be delivered to Stifel, the senior managing underwriter, on behalf of itself and co-managers Frost Bank and Piper Sandler & Co. (collectively, the "Underwriters"), in accordance with the terms and provisions of a Purchase Agreement in substantially the form attached hereto as Exhibit "B", which the Mayor of the City is hereby authorized and directed to execute and deliver such Purchase Agreement. The City will initially deliver to the Underwriters the Bonds authorized under this Ordinance. The Bonds shall initially be registered in the name of Cede & Co. The City finds that the terms of the sale are the most advantageous reasonably available.

Section 13. APPROVAL OF OFFICIAL STATEMENT. The City hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement dated May 15, 2021 prior to the date hereof is confirmed, approved and ratified. The City Council hereby finds and determines that the Preliminary Official Statement and final Official Statement were "deemed final" (as that term is defined in 17 CFR Section 240.15c(2)-12) as of their respective dates.

Section 14. APPROVAL OF ESCROW AGREEMENT AND TRANSFER OF FUNDS. The Mayor or Mayor Pro-tem of the City is hereby authorized and directed to execute and deliver and the City Secretary of the City is hereby authorized and directed to attest an Escrow Agreement in substantially the form attached hereto as Exhibit "C". In addition, the Mayor and Director of Finance are each hereby authorized to execute such subscriptions or other documentation for the purchase of United States Treasury Securities, and to authorize the transfer of such funds of the City, as may be necessary for the Escrow Fund.

Section 15. APPROVAL OFPAYING AGENT/REGISTRAR AGREEMENT. Attached hereto as Exhibit "D" is a substantially final form of Paying Agent/Registrar Agreement. The Mayor or Mayor Pro-tem is hereby authorized to amend, complete or modify such agreement as necessary and are further authorized to execute such agreement and the City Secretary is hereby authorized to attest such agreement.

Section 16. NOTICES OF REDEMPTION. Attached to this Ordinance, as Exhibit "E", and made a part hereof for all purposes, are copies of notices of deposit and prior redemption for the Refunded Obligations in substantially final form and such Refunded Obligations described in said notices of prior redemption are hereby called for redemption and shall be redeemed prior to maturity on the dates, places, and at the prices set forth therein. The Mayor and Director of Finance are each hereby authorized to amend, complete or modify such notices as necessary to call such Refunded

Obligations for redemption. The City assumes full responsibility and shall reimburse The Bank of New York Mellon Trust Company, N.A. as Paying Agent and Bond Registrar for certain series of Refunded Bonds, and its officers, directors, agents and employees for any and all costs and expenses incurred arising out of any rescission of such notice of redemption that was sent to bondholders as a conditional notice of redemption.

Section 17. NOTICE TO PAYING AGENT. The Refunded Obligations described in Exhibit "E" attached hereto are so called for redemption, and the paying agent for the Refunded Obligations is hereby directed to make appropriate arrangements so that such Refunded Obligations may be redeemed on the respective redemption dates. A copy of such notice of redemption shall be delivered to the paying agent so mentioned in the notices.

Section 18. CONTINUING DISCLOSURE UNDERTAKING. (a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, (i) within six months after the end of each fiscal year of the City ending in or after 2020, financial information and operating data, which information and data may be unaudited, with respect to the City of the general type included in the final Official Statement authorized by Section 15 of this Ordinance, being the information described in Exhibit "F" hereto and (ii) if not provided as part of such financial information and operating data, audited financial statements of the City, within twelve months after the end of each fiscal year of the City ending in or after 2020. Any financial statements to be so provided shall be (1) prepared in accordance with the accounting principles described in Exhibit "F" hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices. The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

7. Modifications to rights of holders of the Bonds, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Certificates, if material

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the City;

13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than

in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holder, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018

The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(d) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 28 of this Ordinance that causes the Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has

expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consents to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully

purchasing or selling Bonds in the primary offering of the Bonds.

(e) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to Subsection (b) of this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available o t the public on the MSRB's Internet Web site or filed with the SEC.

Section 19. AMENDMENT OF ORDINANCE. The City hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The City may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, (v) obtain insurance or ratings on the Bond, (vi) obtain the approval of the Attorney General of the State Texas, or (vii) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the City's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the Registered Owner of the Bond shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the City; provided, however, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or the Bond so as to:

(1) Make any change in the maturity of the Bond;

(2) Reduce the rate of interest borne by the Bond;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on the Bond;

(4) Modify the terms of payment of principal or of interest or redemption premium on the Bond or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of the Bond necessary for consent to such amendment.

(c) If at any time the City shall desire to amend this Ordinance under this Section, the City shall send by U.S. mail to the registered owner of the Bond a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The City of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the City for inspection by all holders of such Bond.

(d) Whenever at any time within one year from the date of publication of such notice the City shall receive an instrument or instruments executed by the Registered Owner of the Bond, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the City may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the City and all holders of such affected Bond shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the City, but such revocation shall not be effective if the Registered Owner of the Bond then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

Section 20. <u>REMEDIES IN EVENT OF DEFAULT</u>. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Bond, (ii) declares bankruptcy, or (iii) defaults in the observance or performance of any other of the covenant, agreement or obligation of the City, the failure to perform which materially adversely affects the rights of the owners, including but no limited to, their prospect orability to be repaid in accordance with this Section and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, the following remedies shall be available:

(a) Any owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights to the owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained

herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of the owner of the Bond.

(c) The bond insurer, if any, shall be deemed to be the sole holder of the Bond for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the owners of the Bond are entitled to take.

(d) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bond or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bond shall not be available as a remedy under this Ordinance. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

Section 21. **APPROPRIATION.** There is hereby appropriated from funds of the City lawfully available for such purpose a sum sufficient to pay the interest and principal to become due with respect to the Certificates on or before August 15, 2014.

Section 22. NO RECOURSE AGAINST CITY OFFICIALS. No recourse shall be had for the payment of principal of or interest on the Bond or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Bond.

Section 23. FURTHER ACTIONS. The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bond, the initial sale and delivery of the Bond, the Paying Agent/Registrar Agreement and the Official Statement. In addition, prior to the initial delivery of the Bond, the Mayor, Director of Finance and Bond Counsel are hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement or (ii) obtain the approval of the Bond by the Texas Attorney General's office.

In case any officer of the City whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 24. INTERPRETATIONS. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and

headings of the articles and sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bond and the validity of the lien on and pledge to secure the payment of the Bond.

Section 25. INCONSISTENT PROVISIONS. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provisions of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 26. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City and the registered owners of the Bond, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the registered owners of the Bond.

Section 27. SEVERABILITY. The provisions of this Ordinance are severable; and in case any one or more of the provisions of this Ordinance or the application thereof to any person or circumstance should be held to be invalid, unconstitutional, or ineffective as to any person or circumstance, the remainder of this Ordinance nevertheless shall be valid, and the application of any such invalid provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

Section 28. PAYMENT OF ATTORNEY GENERAL FEE. The City hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bond or (ii) $9,500, provided that such fee shall not be less than $750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the City's staff is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of the Bond.

PASSED, APPROVED, AND ADOPTED THIS 18TH DAY OF MAY, 2021.

_____
Mayor, City of Elgin, Texas

ATTEST:

_____
City Secretary, City of Elgin, Texas

EXHIBIT A

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds, Notes, Certificates, Leases or other Obligations now or hereafter outstanding as having the interest on such debt exempt from Federal income taxes of the debt holder (the "Obligations") the Issuer's City Manager or Director of Finance (the "Responsible Person") will, as applicable to each issuance of Obligations:

- instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within 6 months of the Issue Date;
- monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of any facilities are expended within 3 years of the date of delivery of the Obligations ("Issue Date");
- restrict the yield of the investments to the yield on the Obligations after 3 years of the Issue Date;
- monitor all amounts deposited into a sinking fund or funds, e.g., the Debt Service Fund/Bond Fund/Interest and Sinking Fund, to assure that the maximum amount invested at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12-month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period;
- ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more;
- assure that the maximum amount of any reserve fund for any Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date;
- monitor the actions of the escrow agent (to the extent an escrow is funded with proceeds) to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;
- maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
- assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every

5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the Responsible Person will:

- monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- determine whether, at anytime the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- determine whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and
- take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Order related to the public use of the facilities.

C. Record Retention. The Responsible Persons will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations. The foregoing notwithstanding, the Responsible Persons are authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT B

PURCHASE AGREEMENT

[Please See Separate Tab in this Transcript]

EXHIBIT C

ESCROW AGREEMENT

[Please See Separate Tab in this Transcript]

EXHIBIT D

PAYING AGENT/REGISTRAR AGREEMENT

[Please See Separate Tab in this Transcript]

EXHIBIT E

NOTICES OF DEFEASANCE/REDEMPTION

CITY OF ELGIN, TEXAS

EXHIBIT F

CONTINUING DISCLOSURE

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 17 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

(1) Table 1 - Valuation, Exemptions and Ad Valorem Tax Debt;
(2) Table 2 - Taxable Assessed Valuations by Category;
(3) Table 3 - Valuation and General Obligation Debt History;
(4) Table 4 - Tax Rate, Levy and Collection History;
(5) Table 5 - Ten Largest Taxpayers;
(6) Table 6 - Tax Adequacy;
(7) Table 8 – Ad Valorem Tax Debt Service Requirements;
(8) Table 9 - Interest and Sinking Fund Budget Projection;
(9) Table 10 - Computation of Self-Supporting Debt;
(10) Table 11 – Authorized But Unissued General Obligation Bonds;
(11) Table 12 – Other Obligations;
(12) Table 13 – General fund Revenues and Expenditure History;
(13) Table 14 – Municipal Sales Tax History;
(14) Table 15 – Current Investment;
(15) Appendix C - Excerpts from the City's Annual Financial Report

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in the paragraph above.

2021 CITY OF ELGIN REFUNDING BONDS

Currently paying 3.62% to 4.99% interest

Refunding Amounts

Tax Supported						
Com Tax Rev CO Series 2007	1	875,000	875,000	-	-	875,000
Com Tax Rev CO Series 2009	3	690,000	690,000	-	-	690,000
		1,565,000	1,565,000			1,565,000
Utility Supported						
Com Tax Rev CO Series 2008	1	1,186,350	2,157,000	-	-	2,157,000
Com Tax Rev CO Series 2009	3	380,050	691,000	-	-	691,000
		1,566,400	2,848,000			2,848,000
			Total 4,413,000			

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS APPROVING AN ESCROW AGREEMENT IN THE AMOUNT OF $329,336.27 WITH KB HOME LONE STAR INC, FOR PARTIAL CONSTRUCTION OF IMPROVEMENTS TO COUNTY LINE ROAD PURSUANT TO A COST PARTICIPATION AGREEMENT BETWEEN THE TWO PARTIES DATED JANUARY 29, 2021; AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT AND MAKING CERTAIN FINDINGS RELATED THERETO.

DEPARTMENT: Development Services.

PROPOSED ACTION: Discussion, consideration, and action on a Resolution to allow for the establishment of an escrow account for KB Home Lone Star Inc. to allow for their contribution of improvements to County Line Road.

BACKGROUND: On January 29, 2021, the City entered a "Cost Participation Agreement" with KB Homes Lone Star Inc. ("KB") for the purpose of securing funds for improvements that are proposed to be made to County Line Road. These improvements are needed to mitigate choke points along County Line Road that will occur as new housing developments that feed into this arterial road come on-line. The escrow agreement considered here is simply a funding mechanism used to guarantee the availability of KB's share of the costs as they are needed, when construction gets underway.

BUDGET/FINANCIAL IMPACT:

Funding for this item was { } included { } not included in the current-year budget {X} N/A

RECOMMENDATION: Staff recommends approval of this item.

ATTACHMENT: Resolution with Escrow Agreement as Exhibit "A".

{ } Staff will be making a detailed presentation on this agenda item at the meeting.
{X} Staff will provide brief comments and answer questions on this item at the meeting.
{ } This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.

RESOLUTION NO. 2021-05-18-??

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS APPROVING AN ESCROW AGREEMENT IN THE AMOUNT OF $329,336.27 WITH KB HOME LONE STAR INC, FOR PARTIAL CONSTRUCTION OF IMPROVEMENTS TO COUNTY LINE ROAD PURSUANT TO A COST PARTICIPATION AGREEMENT BETWEEN THE TWO PARTIES DATED JANUARY 29, 2021; AUTHORIZING THE MAYOR TO EXECUTE SAID AGREEMENT AND MAKING CERTAIN FINDINGS RELATED THERETO.

WHEREAS, the City of Elgin ("City") and KB Home Lone Star, Inc. ("KB") entered into a Cost Participation Agreement on January 29, 2021 regarding cost sharing of improvements to County Line Road: and

WHEREAS, pursuant to the Cost Participation Agreement, KB shall contribute the aggregate amount not to exceed Three Hundred and Twenty-Nine Thousand Three Hundred and Thirty-Six and 27/100 Dollars ($329,336.27) (the "Escrow Amount") to the Escrow Agent in accordance with terms of this Agreement ; and

WHEREAS, the City's Engineers have negotiated the terms and conditions of the project in accordance with the requirements of said project.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS THAT:

Section 1. Findings. The following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Authorization. The Mayor is hereby authorized to execute an agreement with KB for the escrow to construct their portion of County Line Road improvements as specified in Resolution 2021-01-19-02 in the attached Exhibit A.

Section 3. Open Meetings. The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

Section 4. Effective Date. This Resolution shall take effect immediately upon passage.

PASSED AND ADOPTED this _____ day of _____ 2021.

_____

Ron M. Ramirez, Mayor

ATTEST:

_____

AMELIA SANCHEZ, City Secretary

ESCROW AGREEMENT

This Escrow Agreement (this "***Escrow Agreement***") dated this _____ day of _____, 2021, is entered into by and among **KB HOME LONE STAR INC.**, a Texas corporation ("***KB Home***"), the **CITY OF ELGIN, TEXAS**, a home-rule city (the "***City***"), and _____, as escrow agent (the "***Escrow Agent***"). KB Home and the City are referred to herein, individually, as a "***Party***" and, together, as the "***Parties***."

RECITALS

WHEREAS, pursuant to that certain Cost Participation Agreement Regarding the Construction of County Line Road dated January 19th, 2021 (the "***Cost Participation Agreement***"), by and among Tack Development, Ltd., the predecessor in interest to KB Home, and the City, the Parties have agreed to place and retain certain funds in escrow with the Escrow Agent for the purpose of funding the costs and expenses incurred by the City pursuant to contracts entered into by the City in compliance with the Texas Competitive Bidding Act (the "***Project Costs***") related to construction of the public right-of-way commonly known as "County Line Road" from the public right-of-way commonly known as "FM 1100" to the public right-of-way commonly known as "Carlson Lane" (the "***Project***"), which Project is located adjacent to the real property owned and to be developed by KB Home as further described in that certain Special Warranty Deed dated _____, 2021, recorded under Document No. _____ in the Official Public Records or Travis County, Texas (the "***KB Home Property***"); ***[Note, this will be completed at the closing, which is anticipated to occur in late April or early May, 2021]***

WHEREAS, the Project shall be constructed in accordance with design plans approved by the City and KB Home (which approval of KB Home shall not be unreasonably withheld, conditioned or delayed) (the "***Approved Plans***"), and as more specifically set forth in this Agreement;

WHEREAS, pursuant to the Cost Participation Agreement, KB Home shall contribute the aggregate amount of Three Hundred Twenty-Nine Thousand Three Hundred and Thirty-Six and 27/100 Dollars ($329,336.27) (the "***Escrow Amount***") to the Escrow Agent in accordance with the terms of this Agreement to be held in an escrow account (the "***Escrow Account***") for purposes of securing certain specified obligations of KB Home and the City set forth in the Cost Participation Agreement and this Agreement;

WHEREAS, the Parties agree to place the Escrow Amount in escrow, and the Escrow Agent agrees to hold and distribute such funds in accordance with the terms of this Escrow Agreement; and

WHEREAS, the Parties acknowledge and agree that the Escrow Agent is not a party to, is not bound by, and has no duties or obligations under the Cost Participation Agreement, that all references in this Escrow Agreement to the Cost Participation Agreement are for convenience, and that the Escrow Agent shall have no implied duties beyond the express duties set forth in this Escrow Agreement.

NOW, THEREFORE, in consideration of the promises and agreements of the Parties and the Escrow Agent and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties and the Escrow Agent agree as follows:

ARTICLE 1
ESCROW AMOUNT

Section 1.01 Receipt of Escrow Amount. KB Home shall deliver the Escrow Amount to the Escrow Agent in immediately available funds within three (3) Business Days after the date this Escrow Agreement has been fully executed by all Parties and the Escrow Agent, and on or before the recordation of the final plat of a portion of the KB Home Property (the "***Plat***"). Escrow Agent shall deposit the Escrow Amount into the Escrow Account upon receipt thereof in the Escrow Account and shall send notice to the Parties confirming receipt of the Escrow Amount from KB Home. The Escrow Account shall be held in trust and shall not be subject to any lien, attachment, trustee process or any other judicial process of any creditor of any party hereto.

Section 1.02 Investments.

(a) The Escrow Agent is authorized and directed to deposit, transfer, hold and invest the amounts contained in the Escrow Account, and any investment earnings and income thereon, as set forth in Exhibit A hereto. Any investment earnings and income on the amounts in the Escrow Account shall become part of the Escrow Account and shall be disbursed in accordance with Section 1.03 of this Escrow Agreement.

(b) The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Escrow Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to, and in accordance with, the terms of this Escrow Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Escrow Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations or advice.

Section 1.03 Disbursements. The Escrow Agent shall distribute the Escrow Amount solely as follows:

(a) *Draw Requests*. The City shall be entitled to draw funds from the Escrow Account by delivering written requests (individually, a "***Request***") to the Escrow Agent with a copy to KB Home. A Request shall not be deemed delivered to the Escrow Agent unless and until written confirmation of receipt of such Request (or confirmation that the delivery of the Request has been refused) by KB Home ("***Delivery Confirmation***") has been delivered to the Escrow Agent together with the Request. In this regard, unless KB Home objects to a Request by written notice delivered to the Escrow Agent and the City within ten (10) Business Days after KB Home has received a copy of such Request (or refused delivery of the Request) from the City, and provided that Delivery

Confirmation has been provided by the City to the Escrow Agent, portions of the Escrow Amount specified in such Request shall be released by Escrow Agent in such amounts and made payable to the City within five (5) Business Days of the later of (x) expiration of such ten (10) Business Day period for KB Home to object to the applicable Request, or (y) the date of delivery of the applicable Delivery Confirmation to the Escrow Agent, provided that each Request must (i) specify the amount(s) to be paid to the City, (ii) include a letter from the City that the portion of the Project for which payment is requested has been completed substantially in accordance with this Agreement and the Approved Plans, and (iii) be accompanied by invoices for all payments requested and lien waivers executed by the contractors and/or materialmen who have entered into contracts with the City or its subcontractors to provide work or materials in furtherance of the Project. If KB Home does make a timely objection to any Request, then the Parties agree to work together in good faith to resolve such objections. In no event may the City make a Request to draw funds from the Escrow Account more often than once in any thirty (30) day period.

(b) *Upon Project Completion*. Upon Final Completion (as defined below) of the Project, any amounts remaining in the Escrow Account, after all Requests for the Escrow Amount have been made and funded to the City, shall be returned to KB Home. For purposes of this Agreement, the Project shall be deemed completed ("***Final Completion***") when (i) the City has delivered to KB Home and to the Escrow Agent a letter executed by the City and/or other applicable governmental authority acknowledging acceptance of the Project in its entirety, including a statement that the Project has been completed substantially in accordance with this Agreement and the Approved Plans, and (ii) the Escrow Agent and KB Home have received from the City copies of all final lien waivers and other required documentation in appropriate form (the "***Final Lien Waivers***") from all contractors, subcontractors and materialmen who have provided services and/or materials in connection with the Project and an affidavit from the City certifying (A) the date of Final Completion (which shall be a date no earlier than the date of such affidavit), and (B) that the Final Lien Waivers provided to the Escrow Agent include all contractors, subcontractors and materialmen who have provided services and/or materials in connection with the applicable Project improvements.

(c) *Failure to Commence Project*. In the event that the City fails to commence construction on the Project on or before December 31, 2024, then the Escrow Agent shall release to KB Home the balance of the Escrow Account, including any interest or earnings thereon without further notice to or consent of the City.

(d) *Joint Instructions*. Upon receipt by the Escrow Agent of a joint written instruction letter executed by KB Home and the City ("***Joint Written Instructions***"), the Escrow Agent is hereby authorized and directed to release, within three (3) Business Days, the funds in the Escrow Account, or any portion thereof, in accordance with such Joint Written Instructions.

(e) *Judgment Disbursements*. Upon receipt by the Escrow Agent of a copy of a final, non-appealable order of the United States District Court for the Western District of Texas or any of the courts of the State of Texas, in each case located in the County of Bastrop or of any courts to which an appeal may be taken from such specified courts (a "***Final Decision***") directing the distribution of amounts from the Escrow Account, the Escrow Agent shall, promptly upon receipt of such Final Decision, release the amounts in the Escrow Account or any portion thereof, within three (3) Business Days, as directed in such Final Decision. In the event that the Escrow Agent

obeys or complies with any such Final Decision, it shall not be liable to any of the Parties or to any other person, firm, corporation or entity should, by reason of such compliance notwithstanding, such Final Decision be subsequently reversed, modified, annulled, set aside or vacated.

(f) *Form of Payment*. All payments of the Escrow Amount or any portion thereof shall be made by wire transfer of immediately available funds to the accounts set forth on Schedule 1 hereto or to the accounts set forth in the Request or Joint Written Instruction, as applicable.

(g) *Limitation of Liability; Indemnification*. KB Home shall not be liable for any liability, loss, damage, injury or claim of any kind or character to any person or property arising from or caused by or in connection with the performance of the Project, except to the extent arising from the gross negligence or willful misconduct of KB Home (collectively, the "City Liabilities"). To the extent allowed under applicable law, the City hereby waives on its behalf all claims and demands against KB Home, its parents, subsidiaries, affiliates, and assigns and their respective officers, directors, shareholders, partners, agents and employees (collectively, "KB Home Entities") for any loss, damage or injury arising out of or pertaining to any City Liability, and the City, to maximum extent permitted under applicable law, agrees to indemnify, defend and hold harmless KB Home, the KB Home Entities and its and their property from all loss, liability, damage, costs and expenses (including attorneys' fees) arising from or related to any City Liability.

ARTICLE 2
PAYMENT MATTERS

Section 2.01 Security Procedure For Funds Transfers. The Escrow Agent shall confirm each funds transfer instruction received in the name of a Party by means of the security procedure selected by such Party and communicated to the Escrow Agent through a signed certificate in the form of Exhibit B-1 and Exhibit B-2 attached hereto, which upon receipt by the Escrow Agent shall become a part of this Escrow Agreement. Once delivered to the Escrow Agent, Exhibit B-1 and Exhibit B-2 may be revised or rescinded only by a writing signed by an authorized representative of the Party. Such revisions or rescissions shall be effective only after actual receipt and following such period of time as may be necessary to afford the Escrow Agent a reasonable opportunity to act on it. If a revised Exhibit B-1 or Exhibit B-2 or a rescission of any existing Exhibit B-1 or Exhibit B-2 is delivered to the Escrow Agent by an entity that is a successor-in-interest to a Party, such document shall be accompanied by additional documentation reasonably satisfactory to the Escrow Agent showing that such entity has succeeded to the rights and responsibilities of such Party under this Escrow Agreement.

The Parties understand that the Escrow Agent's inability to receive or confirm funds transfer instructions pursuant to the security procedure selected by such Party may result in a delay in accomplishing such funds transfer, and agree that the Escrow Agent shall not be liable for any loss caused by any such delay.

Section 2.02 Income Tax Allocation and Reporting.

(a) Except as stated herein, the Escrow Agent does not have any interest in the Escrow Amount but is serving as escrow holder only and having only possession thereof. Any payments

of income and principal from the Escrow Amount shall be subject to withholding and information reporting regulations then in force with respect to federal, state or local taxes. For federal and state income tax purposes, the Parties and the Escrow Agent agree to treat the Escrow Amount in accordance with Proposed Treasury Regulation Section 1.468B-8 (February 1, 1999). Accordingly, prior to the "determination date" (as defined in Proposed Treasury Regulation Section 1.468B-8(b)), (i) KB Home shall be treated as the owner of the Escrow Amount and thus shall take into account in filing its income tax returns all items of income, gain, loss and deduction with respect to the Escrow Amount in accordance with Proposed Treasury Regulation Section 1.468B-8(c), and (ii) the Escrow Agent shall report the income on the Escrow Amount on Internal Revenue Service Form 1099 showing the Escrow Agent as payor and KB Home as payee in accordance with Proposed Treasury Regulation Section 1.468B-8(g). Within 30 days of the determination date, KB Home and the City shall provide a statement to the Escrow Agent in accordance with Proposed Treasury Regulation Section 1.468B-8(f), and each of KB Home and the City shall be treated for tax purposes as the owners of their respective shares of the Escrow Amount and shall take into account in filing its income tax returns its respective share of the items of income, gain, loss and deduction with respect to the Escrow Amount in accordance with Proposed Treasury Regulation Section 1.468B-8(e). If and to the extent any amount of the Escrow Amount is actually distributed to the City, interest may be imputed on such amount, as may be required by Section 483 or 1274 of the Internal Revenue Code of 1986, as amended (the "***Code***").

(b) Prior to depositing the Escrow Amount with the Escrow Agent, each Party shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Escrow Agent may reasonably request. Each Party understands that if such tax reporting documentation is not provided and certified to the Escrow Agent, the Escrow Agent may be required by the Code, and the regulations promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of the Escrow Amount.

(c) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the investment of the Escrow Amount, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Amount in the Escrow Account. KB Home shall indemnify, defend and hold the Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Escrow Agent on or with respect to the Escrow Amount and the investment thereof unless such tax, late payment, interest, penalty or other expenses was directly caused by the gross negligence, willful misconduct or fraud of the Escrow Agent. The indemnification provided by this Section 2.02(c) is in addition to the indemnification provided in Section 4.01 and shall survive the resignation or removal of the Escrow Agent.

Section 2.03 Termination. Upon the disbursement of all of the funds remaining in the Escrow Account in accordance with Section 1.03, including any interest or earnings thereon, this Escrow Agreement shall automatically terminate and be of no further force and effect.

ARTICLE 3
DUTIES OF THE ESCROW AGENT

Section 3.01 Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Escrow Agreement, which shall be deemed purely ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Escrow Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Escrow Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document other than this Escrow Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument or document. References in this Escrow Agreement to any other agreement, instrument or document are for the convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. This Escrow Agreement sets forth all matters pertinent to the escrow, contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Escrow Agreement or any other agreement.

Section 3.02 Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in accordance with the advice of counsel or other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 4.04 for any and all reasonable compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agent, representatives, attorneys, custodians and/or nominees.

Section 3.03 Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in accordance with the direction or consent of the Parties or their respective agents, representatives, successors or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, without further inquiry into the person's or persons' authority.

Section 3.04 Right Not Duty Undertaken. The permissive rights of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as duties.

Section 3.05 No Financial Obligation. No provision of this Escrow Agreement shall require the Escrow Agent to risk or advance its own funds or otherwise incur any financial liability or potential financial liability in the performance of its duties or the exercise of its rights under this Escrow Agreement.

ARTICLE 4

PROVISIONS CONCERNING THE ESCROW AGENT

Section 4.01 Indemnification. KB Home and the City shall, to the extent permitted under applicable law, severally, but not jointly, defend and hold harmless the Escrow Agent from and against any and all loss, liability, cost, damage and expense, including, without limitation, reasonable attorneys' fees and expenses or other professional fees and expenses which the Escrow Agent may suffer or incur by reason of any action, claim or proceeding brought against the Escrow Agent, arising out of or relating in any way to this Escrow Agreement or any transaction to which this Escrow Agreement relates, and shall each pay their respective share (which shall be 50% each, except for the initial fee described on Exhibit C that shall be paid to the Escrow Agent by KB Home in accordance with Section 4.04 below) of the same at once upon presentation of any costs incurred by the Escrow Agent; unless such loss, liability, cost, damage or expense shall have been finally adjudicated to have been caused by the willful misconduct, gross negligence or fraud of the Escrow Agent. The provisions of this Section 4.01 survive the resignation or removal of the Escrow Agent.

Section 4.02 Limitation of Liability. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR FRAUD, OR (II) SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

Section 4.03 Resignation or Removal. The Escrow Agent may resign by furnishing written notice of its resignation to the Parties, and the Parties may remove the Escrow Agent by furnishing to the Escrow Agent a joint written notice of its removal along with payment of all fees and expenses to which it is entitled through the date of termination. Such resignation or removal, as the case may be, shall be effective 30 days after the delivery of such notice or upon the earlier appointment of a successor escrow agent, and the Escrow Agent's sole responsibility thereafter shall be to safely keep the Escrow Amount, and to deliver the same to the successor escrow agent appointed by the Parties, as evidenced by a joint written notice filed with the Escrow Agent or in accordance with a court order. If the Parties have failed to appoint a successor escrow agent prior to the expiration of 30 days following the delivery of such notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Parties.

Section 4.04 Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as Exhibit C, which compensation shall be paid by KB Home. The fee agreed upon for the services rendered hereunder is intended as full compensation for the Escrow Agent's services as contemplated by this Escrow Agreement; *provided*, *however*, that in the event that the conditions for the disbursement of funds under this Escrow Agreement are not fulfilled, or the Escrow Agent renders any service not contemplated in this Escrow Agreement, or there is any assignment of interest in the subject matter of this Escrow Agreement, or any material modification hereof, or if any material controversy arises hereunder,

or the Escrow Agent is made a party to any litigation pertaining to this Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event.

Section 4.05 Disagreements. If any conflict, disagreement or dispute arises between, among or involving any of the Parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Escrow Agreement, or the Escrow Agent is in doubt as to the action to be taken hereunder, the Escrow Agent may, at its option, retain the Escrow Amount until the Escrow Agent (i) receives a final non-appealable order of a court of competent jurisdiction or a final non-appealable arbitration decision directing delivery of the Escrow Amount or (ii) receives a written agreement executed by each of the Parties involved in such disagreement or dispute directing delivery of the Escrow Amount, and in each of the cases above, the Escrow Agent shall be authorized to disburse the Escrow Amount in accordance with such final court order, arbitration decision, or agreement, or (iii) files an interpleader action in any court of competent jurisdiction, and upon the filing thereof, the Escrow Agent shall be relieved of all liability as to the Escrow Amount and shall be entitled to recover reasonable attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action as provided under Section 4.04. The Escrow Agent shall be entitled to act on any such agreement, court order or arbitration decision without further question, inquiry or consent.

Section 4.06 Purchase or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, purchase, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

Section 4.07 Attachment; Compliance with Legal Orders. In the event that any portion of the Escrow Amount shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Amount, the Escrow Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 4.08 Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Escrow Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes, fire, flood; wars, acts of terrorism, civil or military

disturbances, sabotage, epidemic, riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communication services, accidents, labor disputes, acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

ARTICLE 5

MISCELLANEOUS

Section 5.01 Successors and Assigns. This Escrow Agreement shall be binding on and inure to the benefit of the Parties and the Escrow Agent and their respective successors and permitted assigns. Neither Party shall assign its interest under this Escrow Agreement without the prior written consent of the other Party and the Escrow Agent (such consent not to be unreasonably withheld).

Section 5.02 Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Amount escheat by operation of law.

Section 5.03 Notices. All notices, requests, demands and other communications required under this Escrow Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, with confirmation of delivery (ii) by facsimile transmission with written confirmation of receipt, (iii) by overnight delivery with a reputable national overnight delivery service and confirmation of delivery, (iv) by certified mail, return receipt requested, and postage prepaid, or (v) by electronic mail, return receipt requested, accompanied by a PDF signature or similar version of the relevant document bearing an authorized signature of the party or parties delivering the same. If any notice is mailed, it shall be deemed given five (5) Business Days after the date such notice is deposited in the United States mail. If notice is given to a Party or the Escrow Agent, it shall be given at the address for such Party or the Escrow Agent set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Parties in writing of any name or address changes. In the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent. For purposes of this Agreement, "Business Day" shall mean any day other than a Saturday, Sunday or any other day on which the Escrow Agent located at the notice address set forth below is authorized or required by law or executive order to remain closed.

If to KB Home to:
KB Home Lone Star Inc.
Attn: Mathew Thompson – Senior Regional Counsel
10800 Pecan Park Blvd., Suite 200
Austin, Texas 78750
Phone: (512) 651-8072
Fax: (512) 795-6291

Email: mthompson@kbhome.com

If to the City, to:
City of Elgin
Attention: City Manager
310 N. Main Street
Elgin, Texas 78261
Email: tmattis@ci.elgin.tx.us

with a copy (which shall not constitute notice) to:

_____

_____

_____

If to the Escrow Agent, to:

_____

_____

_____

with a copy (which shall not constitute notice) to:

_____

_____

_____

Section 5.04 Governing Law. This Escrow Agreement, and any matter or dispute arising hereunder or in connection with this Escrow Agreement, will be governed by and construed in accordance with the laws of the state of Texas without giving effect to the laws or rules of the state of Texas relating to conflict of laws.

Section 5.05 Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Escrow Agreement or the transactions contemplated hereby or thereby may be instituted in the United States District Court for the Western District of Texas or the courts of the State of Texas, in each case located in the City of Austin and County of Travis, and each Party and the Escrow Agent irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such

Party's or the Escrow Agent's, as applicable, address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The Parties and the Escrow Agent irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 5.06 Entire Agreement. This Escrow Agreement, the Cost Participation Agreement and the instruments delivered thereunder set forth the entire agreement and understanding of the Parties and the Escrow Agent related to the Escrow Amount.

Section 5.07 Amendment. This Escrow Agreement may be amended, modified, superseded, rescinded or canceled only by a written instrument that references this Escrow Agreement executed by the Parties and the Escrow Agent.

Section 5.08 Waivers. The failure of any Party or the Escrow Agent at any time or times to require performance of any provision under this Escrow Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any Party or the Escrow Agent of any such condition or breach of any term, covenant, representation or warranty contained in this Escrow Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition or breach of any other term, covenant, representation or warranty contained in this Escrow Agreement.

Section 5.09 Headings. Section headings of this Escrow Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Escrow Agreement.

Section 5.10 Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original and such counterparts shall together constitute one and the same instrument.

Section 5.11 Delivery by Electronic Transmission. This Escrow Agreement and any signed agreement entered into in connection herewith or contemplated hereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or by .pdf attachment to electronic mail, shall be treated in all manner and respects as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.

THE CITY:

CITY OF ELGIN

By:_____
Ron M. Ramirez, Mayor

ATTEST:

_____
Amelia Sanchez, City Secretary

Date:_____

KB HOME:

KB HOME LONE STAR INC.,
a Texas corporation

By:_____

Name:_____

Title:_____

ESCROW AGENT:

_____

By:_____

Name:_____

Title:_____

Schedule 1

Accounts and Wire Instructions

If to the City:

If to KB Home:

[CONFIRM CADENCE WILL BE ESCROW AGENT;
IF NOT, THIS WILL NEED TO BE DELETED OR REVISED]

Exhibit A

Investment Instructions

Cash will be invested in one of the options below:

_____	Option #1	Cadence Variable Rate Money Market (FDIC Insurance up to $250,000)
_____	Option #2	Cadence FDIC Insured Deposit Program (FDIC Insurance up to $25,000,000)
_____	Option #3	Cadence Non-Interest Bearing Deposit (FDIC Insurance up to $250,000)

[1] When you enroll your account in the FDIC Insured Deposit Sweep Program ("Program"), your available cash balances will be automatically swept from your escrow account into one or more FDIC interested-bearing accounts at one or more Receiving Banks. The Program has a network of FDIC-insured Receiving Banks to which funds can be spread to offer you access to increased FDIC coverage. Receiving Banks may be added to or removed from the Program without prior notice to program participants. The interest rate applicable to your Program Deposits will be stated on your account statement. Contact Cadence Bank to obtain the current interest rate being paid to customers, the names of the Insured Deposit Program Receiving Banks, your account balances at each of the Receiving Banks as of the most recent business day, and other account information. The rate you earn on your Program Deposits may be higher or lower than the rates available to depositors making non-Program Deposits with Receiving Banks directly, through other types of accounts at Cadence Bank, or with other depository institutions in comparable accounts. You should compare the terms, rates of return, required minimum amounts, charges and other features of a Program Deposit with other accounts and investment alternatives. There is generally no minimum period that your money must remain on deposit, and there is no penalty for withdrawal of your entire balance, or any part thereof, at any time. Each Receiving Bank pays to the Program a fee for its services related to your funds held in the Program at that Receiving Bank. Cadence Bank may also receive a fee for its services.
You may obtain information about FDIC deposit insurance coverage by visiting the FDIC website @ www.fdic.gov or by contacting the FDIC by letter, email, or telephone.

Exhibits B-1

KB Home Security Procedure

KB Home hereby certifies that the names, titles, telephone numbers, email addresses and specimen signatures set forth below identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of KB Home and that the option checked in Part C of this Exhibit B-1 is the security procedure selected by KB Home for use in verifying that a funds transfer instruction received by the Escrow Agent is that of KB Home.

KB Home has reviewed each of these security procedures and has determined that the option checked in Part C of this Exhibit B-1 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part C of this Exhibit B-1, KB Home acknowledges that it has elected to not use the other security procedures described below and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by KB Home.

Part A

Name, Title, Telephone Number, Email Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of KB Home

Name	Title	Telephone Number	Email Address	Specimen Signature

Part B

Name, Title, Telephone Number and Email Address for person(s) designated to confirm funds transfer instructions

Name	Title	Telephone Number	Email Address	Specimen Signature

Part C

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

____ *Option 1. Confirmation by telephone call-back*. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part B above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts A and B of this Exhibit.

CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by email, as described in Option 2.

____ *Option 2. Confirmation by email*. The Escrow Agent shall confirm funds transfer instructions by email to a person at the email address specified for such person in Part B of this Exhibit. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts A and B of this Exhibit. The City understands the risks associated with communicating sensitive matters, including time sensitive matters, by email. The City further acknowledges that instructions and data sent by email may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.

____ CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by email, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.

Dated this ____ day of _____, 20___.

KB HOME LONE STAR INC.,
a Texas corporation

By:_____

Name:_____

Title:_____

Exhibit B-2

City Security Procedure

The City hereby certifies that the names, titles, telephone numbers, email addresses and specimen signatures set forth below identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of the City, and that the option checked in Part C of this Exhibit B-2 is the security procedure selected by the City for use in verifying that a funds transfer instruction received by the Escrow Agent is that of the City.

The City has reviewed each of these security procedures and has determined that the option checked in Part C of this Exhibit B-2 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part C of this Exhibit B-2, the City acknowledge that it has elected to not use the other security procedures described below and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by the City.

Part A

Name, Title, Telephone Number, Email Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of the City

Name	Title	Telephone Number	Email Address	Specimen Signature

Part B

Name, Title, Telephone Number and Email Address for person(s) designated to confirm funds transfer instructions

Name	Title	Telephone Number	Email Address	Specimen Signature

Part C

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

___ *Option 1. Confirmation by telephone call-back*. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part B above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts A and B of this Exhibit.

CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by email, as described in Option 2.

___ *Option 2. Confirmation by email*. The Escrow Agent shall confirm funds transfer instructions by email to a person at the email address specified for such person in Part B of this Exhibit. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts A and B of this Exhibit. The City understands the risks associated with communicating sensitive matters, including time sensitive matters, by email. The City further acknowledges that instructions and data sent by email may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.

___ CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by email, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.

Dated this ____ day of _____, 20___.

City of Elgin, Texas

By: _____

Printed Name: _____

Title: _____

Exhibit C

Fees Schedule

One Time Administration Fee	$2,500.00

The agreed One Time Administration Fee is payable in advance per escrow account established. The agreed fixed fee is for customary administrative services that will be provided by the Escrow Agent, including daily routine account management; investment transactions, cash transactions processing (including wire and check processing), disbursement of funds in accordance with the agreement, tax reporting for each individual or entity, and providing account statements to the parties.

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: AN ORDINANCE ANNEXING ADJACENT AND CONTIGUOUS TERRITORY TO THE CITY OF ELGIN, TEXAS, TO WIT: 99.96 ACRES OF LAND, LYING IN AND BEING SITUATED OUT OF THE THOMAS CHRISTIAN SURVEY BLOCK 26, ABSTRACT NUMBER 20, BASTROP COUNTY, TEXAS, AND BEING FULLY DESCRIBED IN EXHIBIT "A", ATTACHED HERETO; PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS.

DEPARTMENT: Development Services.

PROPOSED ACTION: Discussion, consideration, and action on an ordinance for a voluntary annexation of 99.96 acres of land on land known by the Bastrop Co. Appraisal District as Parcel #: 97094. Generally located north of the Shenandoah Subdivision.

BACKGROUND: Currently this parcel is located within the City ETJ and is contiguous with the municipal boundaries along Bastrop Co. Parcel # 15132 and can be annexed into the City. The parcel is presently vacant and consist of farmland. An aerial has been provided to better indicate the location of the parcel.

BUDGET/FINANCIAL IMPACT:
Funding for this item was { } included { } not included in the current-year budget {X} N/A

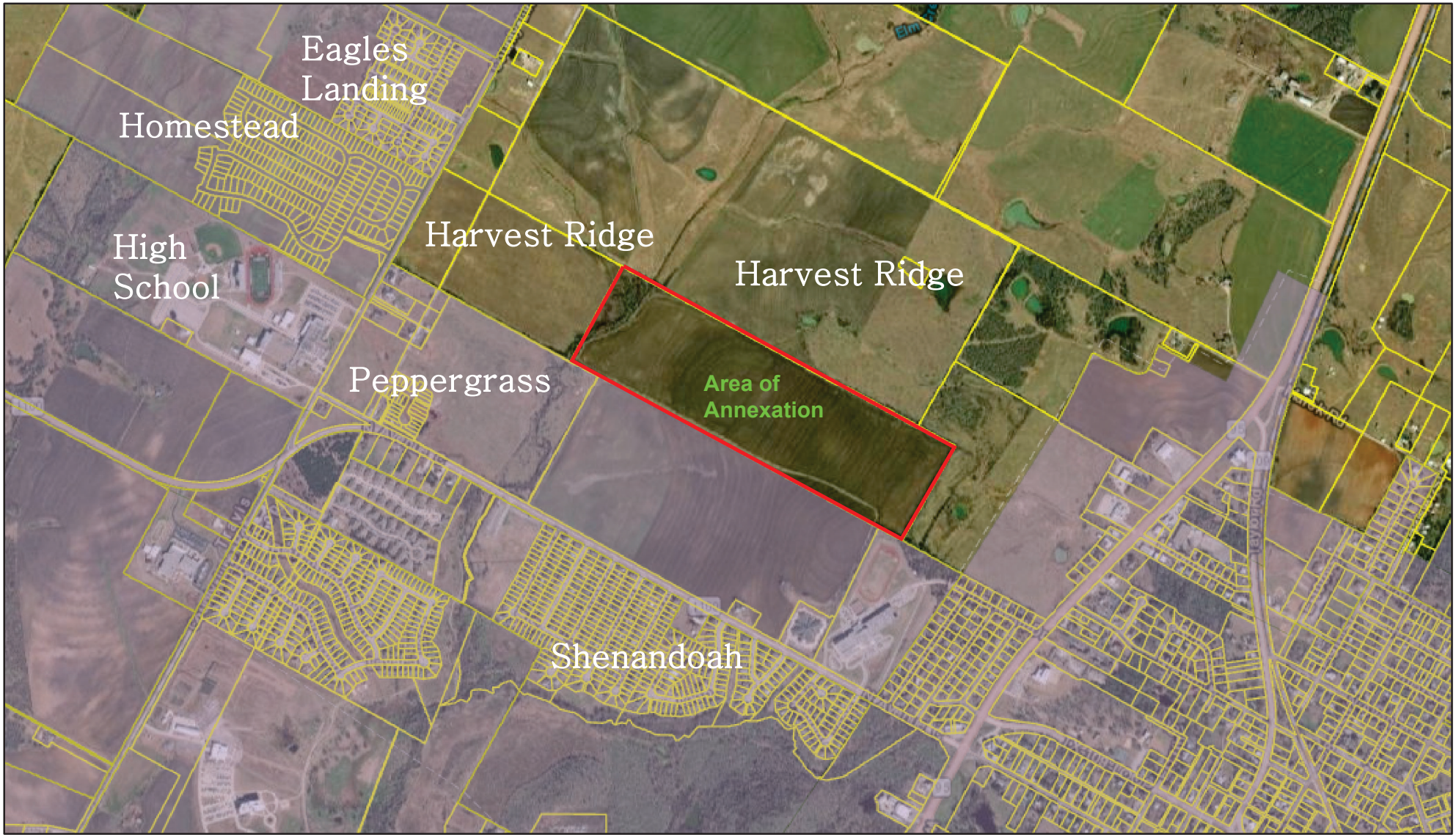
RECOMMENDATION: Staff recommends approval of this item.

ATTACHMENT: Ordinance with Exhibit "A".

{ } Staff will be making a detailed presentation on this agenda item at the meeting.
{X} Staff will provide brief comments and answer questions on this item at the meeting.
{ } This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.

Location Map



5/8/2021, 5:38:20 PM

Travis Parcels Jan 2021

Elgin City Limits

Bastrop Parcels Jan 2021

1:18,056

0 0.13 0.25 0.5 mi

0 0.2 0.4 0.8 km

Esri, HERE, Garmin, (c) OpenStreetMap contributors, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Web AppBuilder for ArcGIS

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community | Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community | Esri, HERE, Garmin, (c) OpenStreetMap contributors | TRC GIS,

ORDINANCE NO. 2021-05-18-??

AN ORDINANCE ANNEXING ADJACENT AND CONTIGUOUS TERRITORY TO THE CITY OF ELGIN, TEXAS, TO WIT: 99.96 ACRES OF LAND, LYING IN AND BEING SITUATED OUT OF THE THOMAS CHRISTIAN SURVEY BLOCK 26, ABSTRACT NUMBER 20, BASTROP COUNTY, TEXAS, AND BEING FULLY DESCRIBED IN EXHIBIT "A", ATTACHED HERETO; PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS.

WHEREAS, the City is a duly constituted Home Rule City pursuant to Chapter 9, Local Government Code, as amended, and

WHEREAS, pursuant to Section 43.028, Local Government Code, the owners of a tract of land containing 99.96 acres of land, more or less, out of the Thomas Christian Survey, Block 26, Abstract 20 of land (the "Property") more fully described in Exhibit "A", have petitioned the City Council in writing to annex the Property, and

WHEREAS, the property is (1) one-half mile of less in width; (2) contiguous to the City; and (3) vacant without residents, or on which less than three (3) qualified voters reside, and

WHEREAS, the City Council has determined that all requirements of Section 43.028. Local Government Code have been complied with and hereby consider it appropriate to grant the petition for annexation, Now Therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ELGIN, TEXAS, THAT:

I.

That all the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in its entirety.

II.

That the City Council has heard arguments for and against the annexation and has determined to grant the petition for annexation.

III.

That the Property described in Exhibit "A", attached hereto and incorporated herein for all proposes, be and is hereby annexed and brought within the corporate limits of the City of Elgin, Bastrop County, Texas, and same is hereby made an integral part hereof.

IV.

That the owners and future inhabitants of the area herein annexed be entitled to all the rights and privileges of other citizens and property owners of said City and are hereby bound by all acts, ordinances, and all other legal action now in full force and effect and all those which may be hereafter adopted.

V.

That the official map and boundaries of the City, heretofore adopted and amended be and is hereby amended to include the territory as part of the City of Elgin, Texas.

VI.

That the City Manager is hereby directed and authorized to perform or cause to be performed all acts necessary to correct the official map of the City to add territory hereby annexed as required by law.

VII.

That this Ordinance shall become effective after is passage

VIII.

That the City Secretary is hereby directed and authorized to file a certified copy of this Ordinance in the Office of the County Clerk of Bastrop County, Texas.

IX.

If any section, subsection, sentence, phrase, or word of this Ordinance be found illegal, invalid, or unconstitutional or any portion of said property is incapable of being annexed by the City, for any reason whatsoever, the adjudication shall not affect any other section, subsection, sentence, phrase, word, paragraph, or provision of this Ordinance or the application of any other section, subsection, sentence, phrase, word, paragraph, or provision of any other Ordinance of the City. The City Council declares that it would have adopted the valid portions and applications of this Ordinance and would have annexed the valid property without the invalid part, and to this end the provisions of this Ordinance are declared to be severable.

X.

A. All ordinances, parts of ordinances, or resolutions in conflict herewith are expressly repealed.

B. The invalidity of any section or provision of this Ordinance shall not invalidate other sections or provisions thereof.

C. The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this Ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this Ordinance and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

By motion duly made, seconded, and passed with an affirmative vote of all the Council members present, the requirement for reading this Ordinance on two separate days was dispensed with.

READ, PASSED, and **ADOPTED** on first reading this the 18th day of May 2021.

_____

Ron M. Ramirez, Mayor

ATTEST:

_____

Amelia Sanchez, City Secretary

Exhibit "A"

PETITION REQUESTING ANNEXATION
TERRITORY IN WHICH THERE ARE FEWER THAN THREE VOTERS

TO THE MAYOR OF THE GOVERNING BODY OF THE CITY OF ELGIN, TEXAS.

The undersigned owners of the hereinafter described tract of land, which is vacant and without residents, or on which less than three qualified voters reside, hereby petition your Honorable Body to extend the present city limits so as to include as part of the City of Elgin, Texas, the following described territory, to wit:

See Exhibit "A", attached hereto and incorporated herein.

BEING A 99.96 ACRE TRACT OUT OF THE THOMAS CHRISTIAN SURVEY, BLOCK 26, ABSTRACT NUMBER 20, BASTROP COUNTY, TEXAS, SAID TRACT BEING ALL OF A CALLED 99.96 ACRE TRACT, CONVEYED TO NORMAL JEANNE LARSON, ET AL, IN DOCUMENT NUMBER 201401408 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS [O.P.R.B.C.T.], SAID 99.96 ACRE TRACT, BEING DESCRIBED TO ALFRED CARLSON, IN VOLUME 74, PAGE 410, OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS [D.R.B.C.T.], SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1-inch iron stake found for the north corner of a remainder of a called 103 acre tract, recorded in Volume 62, Page 240 [D.R.B.C.T.], same being the east corner of said remainder of a called 65.643 acre tract, recorded in Document Number 201917952 [O.P.R.B.C.T.], also being on the southwest line of said 99.96 acre tract;

THENCE N62°58'36"W, with the southwest line of said 99.96 acre tract, common with the northeast line of said remainder of a called 65.643 acre tract, a distance of 300.58 feet to a 1/2-inch iron rod with "DOUCET" cap set for the west corner of said 99.96 acre tract, same being the south corner of a called 48.827 acre tract, recorded in Document Number 201903261 [O.P.R.B.C.T.];

THENCE N27°10'31"E, with the northwest line of said 99.96 acre tract, common with the southeast line of said 48.827 acre tract, a distance of 1,055.50 feet to a 1/2-inch iron rod found for the north corner of said 99.96 acre tract, same being the east corner of said 48.827 acre tract, also being on the southwest line of a called 230.0280 acre tract, recorded in Document Number 201817590 [O.P.R.B.C.T.];

THENCE S63°11'39"E, with the northeast line of said 99.96 acre tract, common with the southwest line of said 230.0280 acre tract, a distance of 3,290.54 feet to a 1/2-inch iron rod found for the south corner of said 230.0280 acre tract, same being the most northerly west corner of a called 69.055 acre tract, recorded in Document Number 201410215 [O.P.R.B.C.T.];

THENCE S62°25'46"E, with the northeast line of said 99.96 acre tract, common with a southwest line of said 69.055 acre tract, a distance of 417.24 feet to a wooden fence post with

wire, found for the east corner of said 99.96 acre tract, same being an interior ell corner of said 69.055 acre tract;
THENCE S28°05'59"W, with the southeast line of said 99.96 acre tract, common with a northwest line of said 69.055 acre tract, a distance of 1,055.29 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set for the south corner of said 99.96 acre tract, same being the most southerly west corner of said 69.055 acre tract, and same being on the northeast line of a called 27.89 acre tract, recorded in Volume 1677, Page 883, or Document Number 200614873 [O.P.R.B.C.T.];
THENCE N62°57'39"W, with the southwest line of said 99.96 acre tract, common with the northeast line of said 27.89 acre tract, a distance of 267.84 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set for the east corner of said remainder of a called 103 acre tract, same being the north corner of said 27.89 acre tract;
THENCE N63°08'29"W, with the common line of said 99.96 acre tract and said remainder of a called 103 acre tract, a distance of 3,122.31 feet to the **POINT OF BEGINNING** and containing 99.96 acres.
Basis of bearings is the Texas Coordinate System, Central Zone [4203], NAD83 (2011), Epoch 2010. All distances are surface values and may be converted to grid by using the surface adjustment factor of 0.9999230059285435.
Units: U.S. Survey Feet.

We certify that the above described tract of land is contiguous and adjacent to the City of Elgin, Texas, is not more than one-half mile in width and that this petition is signed and duly acknowledged by each and every person or corporation having an interest in said land.

Signed: _____

Signed: MANAGING MEMBER

Signed: PRIMAVESTA LAND COMPANY

THE STATE OF TEXAS
COUNTY OF _____.

Before me, the undersigned authority, on this day personally appeared _____, _____, and _____, known to me to be the persons whose names are subscribed to the foregoing instrument and each acknowledged to me that he executed the same for the purposes and consideration therein expressed.
Given under my hand and seal of office, this _____ day of _____, 20__.

Notary Public, _____

_____ County, Texas

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Clara)

On April 30, 2021 before me, CA Signor, Notary Public
(insert name and title of the officer)

personally appeared Garrett Rajkovich,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

CA SIGNOR
Notary Public - California
Santa Clara County
Commission # 2314795
My Comm. Expires Dec 4, 2023

Signature _____ **(Seal)**

EXHIBIT “A”
“CALLED 99.96 ACRES” TRACT METES AND BOUNDS

DOUCET & ASSOCIATES

7401B Highway 71 West, Suite 160, Austin, TX 78735
Office: 512.583.2600
Fax: 512.583.2601
Doucetengineers.com

99.96 Acre Larson
Travis County, Texas

D&A Job No. 1028-006
April 29, 2021

METES & BOUNDS DESCRIPTION

BEING A 99.96 ACRE TRACT OUT OF THE THOMAS CHRISTIAN SURVEY, BLOCK 26, ABSTRACT NUMBER 20, BASTROP COUNTY, TEXAS, SAID TRACT BEING ALL OF A CALLED 99.96 ACRE TRACT, CONVEYED TO NORMAL JEANNE LARSON, ET AL, IN DOCUMENT NUMBER 201401408 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS [O.P.R.B.C.T.], SAID 99.96 ACRE TRACT, BEING DESCRIBED TO ALFRED CARLSON, IN VOLUME 74, PAGE 410, OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS [D.R.B.C.T.], SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1-inch iron stake found for the north corner of a remainder of a called 103 acre tract, recorded in Volume 62, Page 240 [D.R.B.C.T.], same being the east corner of said remainder of a called 65.643 acre tract, recorded in Document Number 201917952 [O.P.R.B.C.T.], also being on the southwest line of said 99.96 acre tract;

THENCE N62°58'36"W, with the southwest line of said 99.96 acre tract, common with the northeast line of said remainder of a called 65.643 acre tract, a distance of 300.58 feet to a 1/2-inch iron rod with "DOUCET" cap set for the west corner of said 99.96 acre tract, same being the south corner of a called 48.827 acre tract, recorded in Document Number 201903261 [O.P.R.B.C.T.];

THENCE N27°10'31"E, with the northwest line of said 99.96 acre tract, common with the southeast line of said 48.827 acre tract, a distance of 1,055.50 feet to a 1/2-inch iron rod found for the north corner of said 99.96 acre tract, same being the east corner of said 48.827 acre tract, also being on the southwest line of a called 230.0280 acre tract, recorded in Document Number 201817590 [O.P.R.B.C.T.];

THENCE S63°11'39"E, with the northeast line of said 99.96 acre tract, common with the southwest line of said 230.0280 acre tract, a distance of 3,290.54 feet to a 1/2-inch iron rod found for the south corner of said 230.0280 acre tract, same being the most northerly west corner of a called 69.055 acre tract, recorded in Document Number 201410215 [O.P.R.B.C.T.];

THENCE S62°25'46"E, with the northeast line of said 99.96 acre tract, common with a southwest line of said 69.055 acre tract, a distance of 417.24 feet to a wooden fence post with wire, found for the east corner of said 99.96 acre tract, same being an interior ell corner of said 69.055 acre tract;

THENCE S28°05'59"W, with the southeast line of said 99.96 acre tract, common with a northwest line of said 69.055 acre tract, a distance of 1,055.29 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set for the south corner of said 99.96 acre tract, same being the most southerly west corner of said 69.055 acre tract, and same being on the northeast line of a called 27.89 acre tract, recorded in Volume 1677, Page 883, or Document Number 200614873 [O.P.R.B.C.T.];

THENCE N62°57'39"W, with the southwest line of said 99.96 acre tract, common with the northeast line of said 27.89 acre tract, a distance of 267.84 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set for the east corner of said remainder of a called 103 acre tract, same being the north corner of said 27.89 acre tract;

(CONTINUES ON NEXT PAGE)

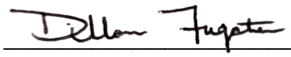
DOUCET
& ASSOCIATES

7401B Highway 71 West, Suite 160, Austin, TX 78735
Office: 512.583.2600
Fax: 512.583.2601
Doucetengineers.com

THENCE N63°08’29”W, with the common line of said 99.96 acre tract and said remainder of a called 103 acre tract, a distance of 3,122.31 feet to the **POINT OF BEGINNING** and containing 99.96 acres.

Basis of bearings is the Texas Coordinate System, Central Zone [4203], NAD83 (2011), Epoch 2010. All distances are surface values and may be converted to grid by using the surface adjustment factor of 0.9999230059285435.
Units: U.S. Survey Feet.

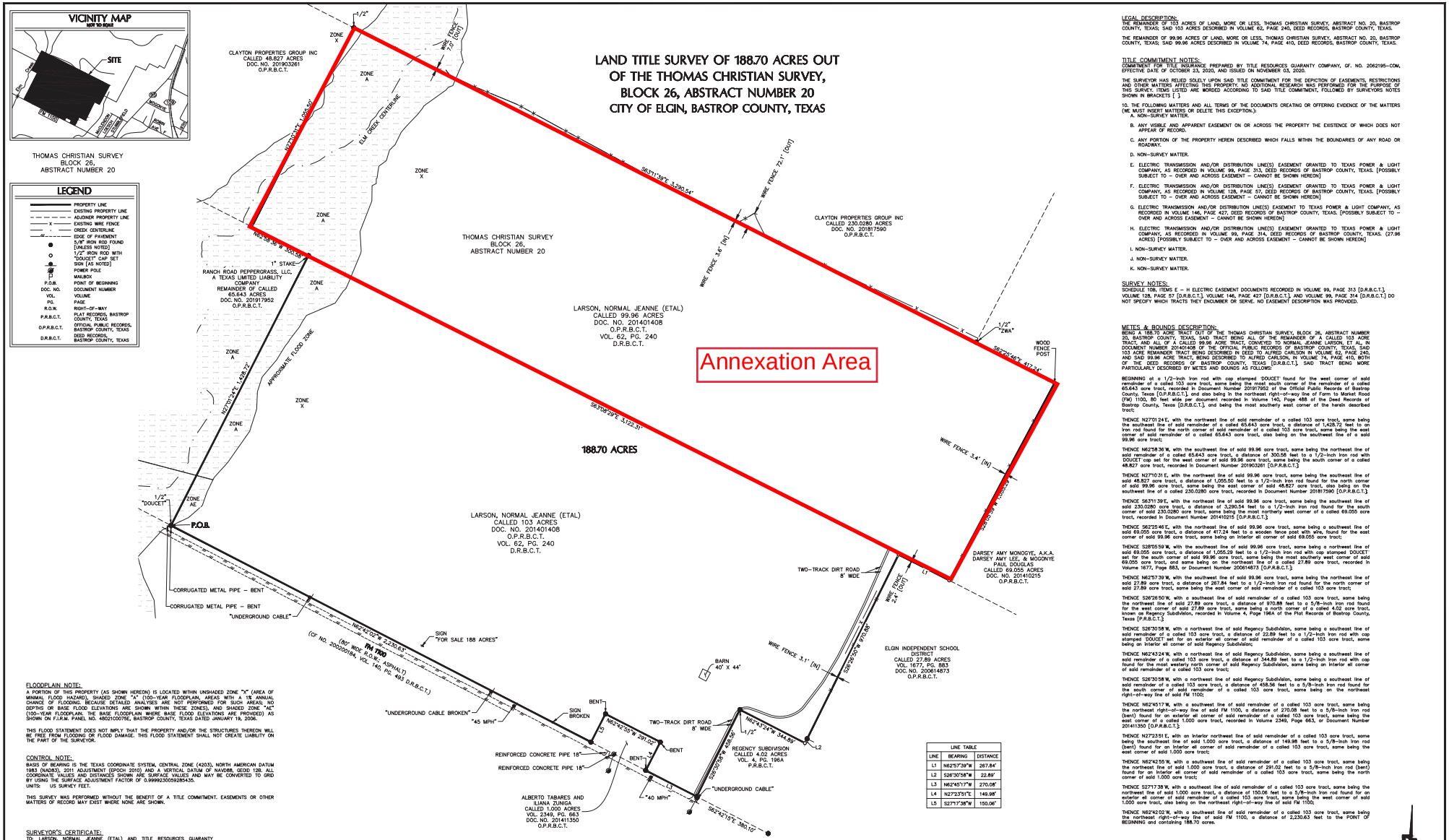
I, J. Dillon Fugate, Registered Professional Land Surveyor, hereby certify that this property description and accompanying plat of even date represent an actual survey performed on the ground under my direct supervision.



04/29/2021

J. Dillon Fugate Date
Registered Professional Land Surveyor
Texas Registration No. 6360
Doucet & Associates
DFugate@DoucetEngineers.com
TBPELS Firm Registration No. 10105800

LAND TITLE SURVEY OF 188.70 ACRES OUT OF THE THOMAS CHRISTIAN SURVEY, BLOCK 26, ABSTRACT NUMBER 20 CITY OF ELGIN, BASTROP COUNTY, TEXAS



LINE TABLE		
LINE	BEARING	DISTANCE
L1	N62°57'39"W	267.84'
L2	S26°30'58"W	22.89'
L3	N62°45'17"W	270.08'
L4	N27°23'01"E	149.98'
L5	S27°17'38"W	150.06'

LEGAL DESCRIPTION:

THE REMAINDER OF 103 ACRES OF LAND, MORE OR LESS, THOMAS CHRISTIAN SURVEY, ABSTRACT NO. 20, BASTROP COUNTY, TEXAS; SAID 103 ACRES DESCRIBED IN VOLUME 62, PAGE 240, DEED RECORDS, BASTROP COUNTY, TEXAS.

THE REMAINDER OF 99.96 ACRES OF LAND, MORE OR LESS, THOMAS CHRISTIAN SURVEY, ABSTRACT NO. 20, BASTROP COUNTY, TEXAS; SAID 99.96 ACRES DESCRIBED IN VOLUME 74, PAGE 410, DEED RECORDS, BASTROP COUNTY, TEXAS.

TITLE COMMITMENT NOTES:

COMMITMENT FOR TITLE INSURANCE PREPARED BY TITLE RESOURCES GUARANTY COMPANY, GF. NO. 2062195-COM, EFFECTIVE DATE OF OCTOBER 23, 2020, AND ISSUED ON NOVEMBER 03, 2020.

THE SURVEYOR HAS RELIED SOLELY UPON SAID TITLE COMMITMENT FOR THE DEPICTION OF EASEMENTS, RESTRICTIONS AND OTHER MATTERS AFFECTING THIS PROPERTY. NO ADDITIONAL RESEARCH WAS PERFORMED FOR THE PURPOSE OF THIS SURVEY. ITEMS LISTED ARE WORDED ACCORDING TO SAID TITLE COMMITMENT, FOLLOWED BY SURVEYORS NOTES SHOWN IN BRACKETS [ ]

10. THE FOLLOWING MATTERS AND ALL TERMS OF THE DOCUMENTS CREATING OR OFFERING EVIDENCE OF THE MATTERS (WE MUST INSERT MATTERS OR DELETE THIS EXCEPTION:)

A. NON-SURVEY MATTER.

B. ANY VISIBLE AND APPARENT EASEMENT ON OR ACROSS THE PROPERTY THE EXISTENCE OF WHICH DOES NOT APPEAR OF RECORD.

C. ANY PORTION OF THE PROPERTY HEREIN DESCRIBED WHICH FALLS WITHIN THE BOUNDARIES OF ANY ROAD OR ROADWAY.

D. NON-SURVEY MATTER.

E. ELECTRIC TRANSMISSION AND/OR DISTRIBUTION LINE(S) EASEMENT GRANTED TO TEXAS POWER & LIGHT COMPANY, AS RECORDED IN VOLUME 99, PAGE 313, DEED RECORDS OF BASTROP COUNTY, TEXAS. [POSSIBLY SUBJECT TO – OVER AND ACROSS EASEMENT – CANNOT BE SHOWN HEREON]

F. ELECTRIC TRANSMISSION AND/OR DISTRIBUTION LINE(S) EASEMENT GRANTED TO TEXAS POWER & LIGHT COMPANY, AS RECORDED IN VOLUME 128, PAGE 57, DEED RECORDS OF BASTROP COUNTY, TEXAS. [POSSIBLY SUBJECT TO – OVER AND ACROSS EASEMENT – CANNOT BE SHOWN HEREON]

G. ELECTRIC TRANSMISSION AND/OR DISTRIBUTION LINE(S) EASEMENT TO TEXAS POWER & LIGHT COMPANY, AS RECORDED IN VOLUME 146, PAGE 427, DEED RECORDS OF BASTROP COUNTY, TEXAS. [POSSIBLY SUBJECT TO – OVER AND ACROSS EASEMENT – CANNOT BE SHOWN HEREON]

H. ELECTRIC TRANSMISSION AND/OR DISTRIBUTION LINE(S) EASEMENT GRANTED TO TEXAS POWER & LIGHT COMPANY, AS RECORDED IN VOLUME 99, PAGE 314, DEED RECORDS OF BASTROP COUNTY, TEXAS. (27.98 ACRES) [POSSIBLY SUBJECT TO – OVER AND ACROSS EASEMENT – CANNOT BE SHOWN HEREON]

I. NON-SURVEY MATTER.

J. NON-SURVEY MATTER.

K. NON-SURVEY MATTER.

SURVEY NOTES:

SCHEDULE 10B, ITEMS E – H ELECTRIC EASEMENT DOCUMENTS RECORDED IN VOLUME 99, PAGE 313 [D.R.B.C.T.], VOLUME 128, PAGE 57 [D.R.B.C.T.], VOLUME 146, PAGE 427 [D.R.B.C.T.], AND VOLUME 99, PAGE 314 [D.R.B.C.T.] DO NOT SPECIFY WHICH TRACTS THEY ENCUMBER OR SERVE. NO EASEMENT DESCRIPTION WAS PROVIDED.

METES & BOUNDS DESCRIPTION:

BEING A 188.70 ACRE TRACT OUT OF THE THOMAS CHRISTIAN SURVEY, BLOCK 26, ABSTRACT NUMBER 20, BASTROP COUNTY, TEXAS, SAID TRACT BEING ALL OF THE REMAINDER OF A CALLED 103 ACRE TRACT, AND ALL OF A CALLED 99.96 ACRE TRACT, CONVEYED TO NORMAL JEANNE LARSON, ET AL, IN DOCUMENT NUMBER 201401408 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, SAID 103 ACRE REMAINDER TRACT BEING DESCRIBED IN DEED TO ALFRED CARLSON IN VOLUME 62, PAGE 240, AND SAID 99.96 ACRE TRACT, BEING DESCRIBED TO ALFRED CARLSON, IN VOLUME 74, PAGE 410, BOTH OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS [D.R.B.C.T.], SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with cap stamped "DOUCET" found for the west corner of said remainder of a called 103 acre tract, same being the most south corner of the remainder of a called 65.643 acre tract, recorded in Document Number 201917952 of the Official Public Records of Bastrop County, Texas [O.P.R.B.C.T.], and also being in the northeast right-of-way line of Farm to Market Road (FM) 1100, 80 feet wide per document recorded in Volume 140, Page 488 of the Deed Records of Bastrop County, Texas [D.R.B.C.T.], and being the most southerly west corner of the herein described tract;

THENCE N27°01'24"E, with the northwest line of said remainder of a called 103 acre tract, same being the southeast line of said remainder of a called 65.643 acre tract, a distance of 1,428.72 feet to an iron rod found for the north corner of said remainder of a called 103 acre tract, same being the east corner of said remainder of a called 65.643 acre tract, also being on the southwest line of a said 99.96 acre tract;

THENCE N62°58'36"W, with the southwest line of said 99.96 acre tract, same being the northeast line of said remainder of a called 65.643 acre tract, a distance of 300.58 feet to a 1/2-inch iron rod with "DOUCET" cap set for the west corner of said 99.96 acre tract, same being the south corner of a called 48.827 acre tract, recorded in Document Number 201903261 [O.P.R.B.C.T.];

THENCE N27°10'31"E, with the northwest line of said 99.96 acre tract, same being the southeast lot of said 48.827 acre tract, a distance of 1,055.50 feet to a 1/2-inch iron rod found for the north corner of said 99.96 acre tract, same being the east corner of said 48.827 acre tract, also being on the southwest line of a called 230.0280 acre tract, recorded in Document Number 201817590 [O.P.R.B.C.T.];

THENCE S63°11'39"E, with the northeast line of said 99.96 acre tract, same being the southwest line of said 230.0280 acre tract, a distance of 3,390.54 feet to a 1/2-inch iron rod found for the south corner of said 230.0280 acre tract, same being the most northerly west corner of a called 69.055 acre tract, recorded in Document Number 201410215 [O.P.R.B.C.T.];

THENCE S62°25'46"E, with the northeast line of said 99.96 acre tract, same being a southwest line of said 69.055 acre tract, a distance of 417.24 feet to a wooden fence post with wire, found for the east corner of said 99.96 acre tract, same being an interior ell corner of said 69.055 acre tract;

THENCE S28°05'59"W, with the southeast line of said 99.96 acre tract, same being a northwest line of said 69.055 acre tract, a distance of 1,055.29 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set for the south corner of said 99.96 acre tract, same being the most southerly west corner of said 69.055 acre tract, and same being on the northeast line of a called 27.89 acre tract, recorded in Volume 1677, Page 883, or Document Number 200614873 [O.P.R.B.C.T.];

THENCE N62°57'39"W, with the southwest line of said 99.96 acre tract, same being the northeast line of said 27.89 acre tract, a distance of 267.84 feet to a 1/2-inch iron rod found for the north corner of said 27.89 acre tract, same being the east corner of said remainder of a called 103 acre tract;

THENCE S26°26'50"W, with a southeast line of said remainder of a called 103 acre tract, same being the northwest line of said 27.89 acre tract, a distance of 970.88 feet to a 5/8-inch iron rod found for the west corner of said 27.89 acre tract, same being a north corner of a called 4.02 acre tract, known as Regency Subdivision, recorded in Volume 4, Page 196A of the Plat Records of Bastrop County, Texas [P.R.B.C.T.];

THENCE S28°30'58"W, with a northwest line of said Regency Subdivision, same being a southeast line of said remainder of a called 103 acre tract, a distance of 22.89 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set for an exterior ell corner of said remainder of a called 103 acre tract, same being an interior ell corner of said Regency Subdivision;

THENCE N62°43'24"W, with a northeast line of said Regency Subdivision, same being a southwest line of said remainder of a called 103 acre tract, a distance of 344.89 feet to a 1/2-inch iron rod with cap found for the most easterly north corner of said Regency Subdivision, same being an interior ell corner of said remainder of a called 103 acre tract;

THENCE S28°30'58"W, with a northwest line of said Regency Subdivision, same being a southeast line of said remainder of a called 103 acre tract, a distance of 458.56 feet to a 5/8-inch iron rod found for the south corner of said remainder of a called 103 acre tract, same being on the northeast right-of-way line of said FM 1100;

THENCE N62°45'17"W, with a southwest line of said remainder of a called 103 acre tract, same being the northeast right-of-way line of said FM 1100, a distance of 270.08 feet to a 5/8-inch iron rod (bent) found for an exterior ell corner of said remainder of a called 103 acre tract, same being the east corner of a called 1.000 acre tract, recorded in Volume 2349, Page 663, or Document Number 201411350 [O.P.R.B.C.T.];

THENCE N27°23'51"E, with an interior northwest line of said remainder of a called 103 acre tract, same being the southeast line of said 1.000 acre tract, a distance of 149.98 feet to a 5/8-inch iron rod (bent) found for an interior ell corner of said remainder of a called 103 acre tract, same being the east corner of said 1.000 acre tract;

THENCE N62°42'35"W, with a southwest line of said remainder of a called 103 acre tract, same being the northeast line of said 1.000 acre tract, a distance of 291.02 feet to a 5/8-inch iron rod (bent) found for an interior ell corner of said remainder of a called 103 acre tract, same being the north corner of said 1.000 acre tract;

THENCE S27°17'38"W, with a southeast line of said remainder of a called 103 acre tract, same being the northeast line of said 1.000 acre tract, a distance of 150.06 feet to a 5/8-inch iron rod found for an exterior ell corner of said remainder of a called 103 acre tract, same being the west corner of said 1.000 acre tract, also being on the northeast right-of-way line of said FM 1100;

THENCE N62°42'02"W, with a southwest line of said remainder of a called 103 acre tract, same being the northeast right-of-way line of said FM 1100, a distance of 2,230.63 feet to the POINT OF BEGINNING and containing 188.70 acres.

FLOODPLAIN NOTE:

A PORTION OF THIS PROPERTY (AS SHOWN HEREON) IS LOCATED WITHIN UNSHADED ZONE "X" (AREA OF MINIMAL FLOOD HAZARD), SHADED ZONE "A" (100-YEAR FLOODPLAIN, AREAS WITH A 1% ANNUAL CHANCE OF FLOODING. BECAUSE DETAILED ANALYSES ARE NOT PERFORMED FOR SUCH AREAS; NO DEPTHS OR BASE FLOOD ELEVATIONS ARE SHOWN WITHIN THESE ZONES), AND SHADED ZONE "AE" (100-YEAR FLOODPLAIN, THE BASE FLOODPLAIN WHERE BASE FLOOD ELEVATIONS ARE PROVIDED) AS SHOWN ON F.I.R.M. PANEL NO. 48021C0070E, BASTROP COUNTY, TEXAS DATED JANUARY 19, 2006.

THIS FLOOD STATEMENT DOES NOT IMPLY THAT THE PROPERTY AND/OR THE STRUCTURES THEREON WILL BE FREE FROM FLOODING OR FLOOD DAMAGE. THIS FLOOD STATEMENT SHALL NOT CREATE LIABILITY ON THE PART OF THE SURVEYOR.

CONTROL NOTE:

BASIS OF BEARING IS THE TEXAS COORDINATE SYSTEM, CENTRAL ZONE (4203), NORTH AMERICAN DATUM 1983 (NAD83), 2011 ADJUSTMENT (EPOCH 2010) AND A VERTICAL DATUM OF NAVD88, GEOID 12B. ALL COORDINATE VALUES AND DISTANCES SHOWN ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID BY USING THE SURFACE ADJUSTMENT FACTOR OF 0.99992305092885436.
UNITS: US SURVEY FEET.

THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE COMMITMENT. EASEMENTS OR OTHER MATTERS OF RECORD MAY EXIST WHERE NONE ARE SHOWN.

SURVEYOR'S CERTIFICATE:

TO: LARSON, NORMAL JEANNE (ETAL) AND TITLE RESOURCES GUARANTY COMPANY

I HEREBY CERTIFY THIS SURVEY WAS MADE ON THE GROUND, AND THAT THIS PLAT CORRECTLY REPRESENTS THE FACTS FOUND AT THE TIME OF SURVEY AND THAT THIS PROFESSIONAL SERVICE CONFORMS TO THE TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A CONDITION II LAND TITLE SURVEY.

04/29/2021
DATE

D. DILLON FURATE
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 6360
DOUCET & ASSOCIATES
DFURATE@DOUCETENGINEERS.COM

ORIGINAL: 11/25/2020
REVISED: 04/29/2021

0 200 400
100 300
GRAPHIC SCALE: 1" = 200'

D&A DOUCET & ASSOCIATES
Civil Engineering - Planning - Geospatial
7401 B. Highway 71 W, Suite 160
Austin, Texas 78735, Phone: (512)-583-2600
www.doucetengineers.com
TBPELS Firm No.: 101058-00
TBPE Firm No.: F-3937

Date:	04/29/2021
Scale:	1" = 200'
Drawn by:	AAC
Reviewer:	DC
Project:	1028-006
Sheet:	1 OF 1
Field Book:	529
Party Chief:	PAC
Survey Date:	11/20/2020

I:\Departments\Geospatial\Projects\1028-006 18Misc Elgin\CAD\dwg\Active – Exhibits\1028-006_EXHIBIT_SRF.dwg

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: An ordinance assigning newly annexed property to City Council Ward Area No. 3; providing for a severability clause and providing an effective date; providing a savings clause and repealing conflicting ordinances and resolutions.

DEPARTMENT: Development Services

PROPOSED ACTION: Discussion, consideration, and action on an ordinance assigning newly annexed property to City Council Ward Area No. 3; providing for a severability clause and providing an effective date; providing a savings clause and repealing conflicting ordinances and resolutions.

BACKGROUND: When a parcel of land is annexed into the City limits, State law requires assignment of the area to an elected representative. The closest and most likely Council Ward is No. 3.

BUDGET/FINANCIAL IMPACT:

Funding for this item was { } included { } not included in the current-year budget {X} N/A

ATTACHMENTS:

Ward Map.

{ } Staff will be making a detailed presentation on this agenda item at the meeting.
{ } Staff will provide brief comments and answer questions on this item at the meeting.
{X} This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.

ORDINANCE NO. 2021-05-18-??

AN ORDINANCE ASSIGNING NEWLY ANNEXED PROPERTY TO CITY COUNCIL WARD AREA NO. 3; PROVIDING FOR A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE; PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES OR RESOLUTIONS.

WHEREAS, the City of Elgin, Texas is a duly constituted home-rule municipality and, as such, is authorized to unilaterally annex territory subject to the laws of the State of Texas and subject to its Charter; and

WHEREAS, the territory described on Exhibit "A" (the "Property") attached hereto and made a part hereof by reference for all purposes, was unilaterally annexed by the City of Elgin by Ordinance No. 2021-05-18-_____ on May 18, 2021; and

WHEREAS, the procedures prescribed by the Charter of the City of Elgin and the applicable laws of the State of Texas have been duly followed with respect to the Property; and

WHEREAS, the Property is so situated as to be assigned to City Council Ward Area No. 3; and it is the intention of the City Council to add this parcel to Ward Area No. 3; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS:

I.

That all of the above recitations are found to be true and correct and are incorporated into the body of this Ordinance.

II.

That the Property described in the attached Exhibit "A" is hereby assigned to Council Ward Area No. 3.

III.

That this Ordinance shall become effective after its passage.

IV.

If any section, subsection, sentence, phrase, or word of this Ordinance be found to be illegal, invalid or unconstitutional or if any portion of said property is incapable of being annexed by the City, for any reason whatsoever, the adjudication shall not affect any other section, sentence, phrase, word, paragraph or provision of this Ordinance or the application of any other section, sentence, phrase, word, paragraph or provision of any other ordinance of the City. The City Council declares that it would have adopted the valid portions and applications of this Ordinance without the invalid part, and to this end the provisions of this Ordinance are declared to be severable.

V.

A. All ordinances, parts of ordinances, or resolutions in conflict herewith are expressly repealed.

B. The invalidity of any section or provision of this Ordinance shall not invalidate other sections or provisions thereof.

C. The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this Ordinance and the subject matter thereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

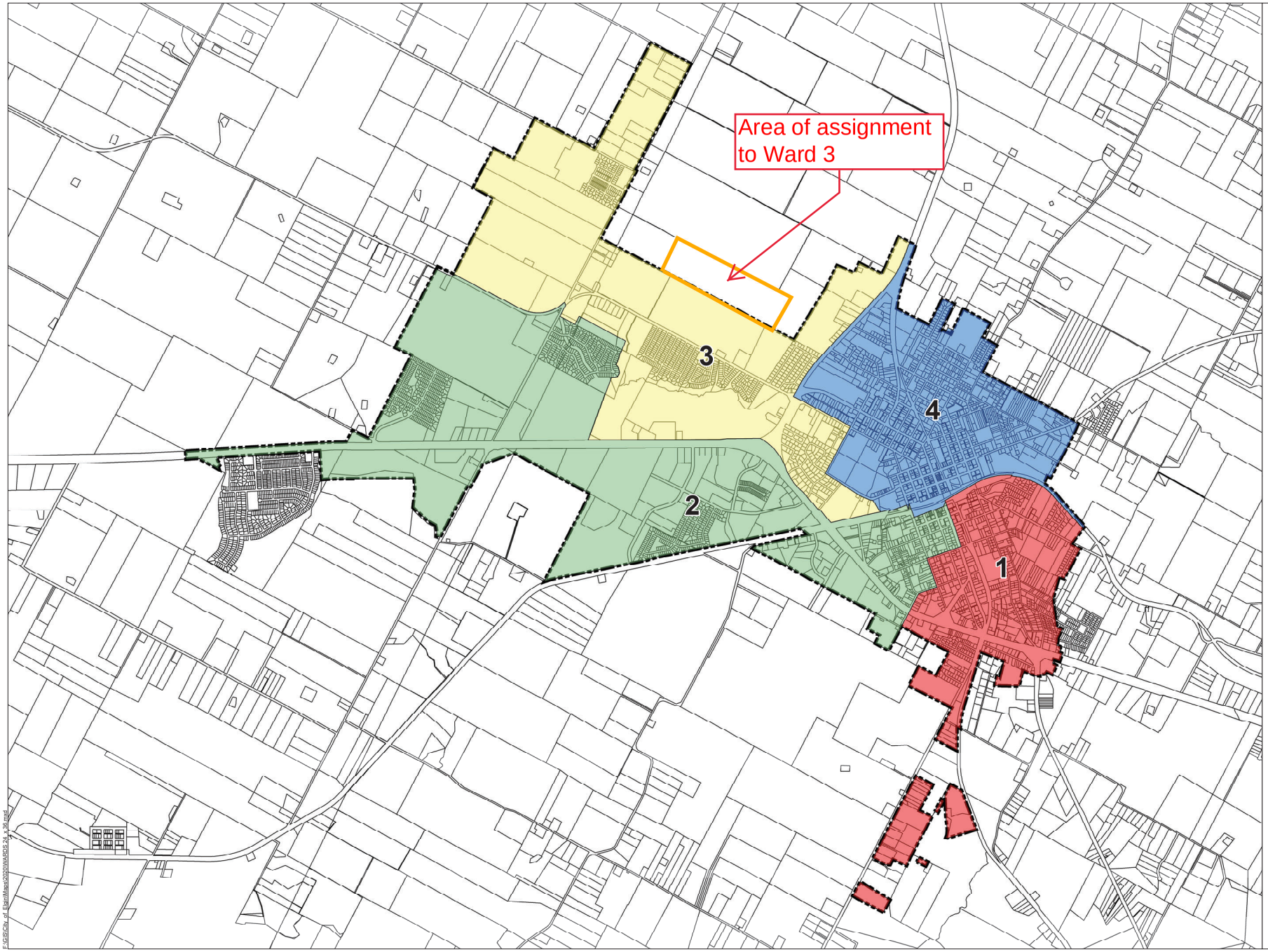
READ, **PASSED**, and **ADOPTED** on first reading this 18th day of May, 2021.

_____
Ron M. Ramirez, Mayor

ATTEST:

_____
Amelia Sanchez, City Secretary

Exhibit "A"



WARD MAP
ELGIN, TEXAS

LEGEND

- PARCEL
- CITY LIMITS

WARDS

- 1
- 2
- 3
- 4

N

0 1,200 2,400 3,600
FEET

1 INCH = 1,200 FEET

September 28, 2020

TRC ENGINEERS, INC.

All information included in this map is up to date as of the above date.

F:\GIS\City of Elgin\Maps\2020\WARDS 24 x 36.mxd

Elgin City Council Meeting
Agenda Item Executive Summary

ITEM: AN ORDINANCE OF THE CITY OF ELGIN, TEXAS, ANNEXING 283.115 ACRES, MORE OR LESS, FOR A LIMITED PURPOSE, WHICH INCLUDES ALL REAL PROPERTY WITHIN THE ALTESSA MUNICIPAL UTILITY DISTRICT (MUD); MAKING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

DEPARTMENT: Development Services.

PROPOSED ACTION: Discussion, consideration, and action on an ordinance annexing generally 283.115 acres for purposes of a limited annexation for the Altessa Municipal Utility District (MUD).

BACKGROUND: On December 15, 2020, the Council approved a strategic partnership agreement (SPA) allowed under Texas Local Government Code (TLGC) Sec. 43.0751 with the Altessa MUD. As part of this agreement the City may adopt a limited annexation ordinance. The purpose of this limited annexation is to allow for City control of development standards in accordance with previous agreements. This limited purpose annexation will not subject the MUD to being within the full purpose City limits at this time, subject them to City taxes, or require the City to provide services.

BUDGET/FINANCIAL IMPACT:

Funding for this item was { } included { } not included in the current-year budget {X} N/A

RECOMMENDATION: Staff recommends approval of this item.

ATTACHMENT: Ordinance with Exhibit "A", Strategic Partnership Agreements (SPA), Harvest Ridge Concept Plan.

{ } Staff will be making a detailed presentation on this agenda item at the meeting.
{X} Staff will provide brief comments and answer questions on this item at the meeting.
{ } This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.

ORDINANCE NO. 2021-05-18-??

AN ORDINANCE OF THE CITY OF ELGIN, TEXAS, ANNEXING 283.115 ACRES, MORE OR LESS, FOR A LIMITED PURPOSE, WHICH INCLUDES ALL REAL PROPERTY WITHIN THE ALTESSA MUNICIPAL UTILITY DISTRICT (MUD); MAKING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Elgin, Texas (the "City") is a duly constituted home-rule municipality and, as such, is authorized to annex territory subject to the laws of the State of Texas and subject to its Charter; and

WHEREAS, pursuant to Section 43.0751, Local Government Code, the tracts of land included in the Strategic Partnership Agreement (the "SPA") between the City and Altessa Municipal Utility District (the "District"), dated December 15, 2020 and approved in Resolution No. 2020-12-15-59, containing 283.115 acres, more or less, of land, in Bastrop and Travis Counties, Texas (the "Property"), described by metes and bounds in **Exhibit "A"**, attached hereto and made a part hereof for all purposes, are included in this Limited Purpose Annexation; and

WHEREAS, City Council has determined that all requirements of Section 43.0751, Local Government Code, have been complied with and hereby consider it appropriate to grant the petition for limited purpose annexation; Now Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS:

SECTION I.

That all the above recitations are found to be true and correct and are incorporated into the body of this Ordinance; and

That the City Council has heard the arguments for and against the annexation and has determined to grant the Limited Purpose Annexation; and

That the present owners of land within the District boundaries have previously consented to the City's annexation of the Property within the District for the limited and sole purpose of imposing exclusive subdivision regulatory authority upon the development of the Property; and

That the Property is hereby annexed for the limited and sole purpose of imposing exclusive subdivision regulatory authority upon the development of the Property, as described in the SPA; and

That this Limited Purpose Annexation is not for the purpose of imposing ad valorem, sales and use, or other City taxes upon property within the Property and that the City will not impose any such tax; and

That all of the terms and conditions as stated in the SPA are incorporated herein and this Limited Purpose Annexation is made pursuant and subject to those terms and conditions; and

SECTION II.

That the official maps and boundaries of the City of Elgin, heretofore adopted and amended, be and are hereby amended to identify the Property as a Limited Purpose Annexation area.

That the appropriate city official of the City of Elgin is hereby directed and authorized to perform or cause to be performed all acts necessary to correct the official map of the City to identify the Property as a Limited Purpose Annexation area.

SECTION III. Publication Clause

The City Secretary of the City of Elgin is hereby authorized and directed to publish the caption of this ordinance in the manner and for the length of time prescribed by law.

SECTION IV. Severability Clause

The provisions of this ordinance are severable, and if any sentence, section, or other parts of this Ordinance should be found to be invalid, such invalidity shall not affect the remaining provisions, and the remaining provisions shall continue in full force and effect.

SECTION V. Repealing Clause

All ordinances and resolutions and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict.

SECTION VI. Open Meeting Clause

The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this ordinance and the subject hereof were discussed, considered, and formerly acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

SECTION VII. Effective Date

This ordinance shall take effect and be in force from and after its passage.

READ AND APPROVED on this the ____ day of _____, 2021 at a meeting of the Elgin Texas City Council; there being a quorum present.

THE CITY OF ELGIN, TEXAS

_____
Ron Ramirez, Mayor

Attest:

_____

_____,
City Secretary

EXHIBIT "A"
DESCRIPTION OF THE PROPERTY

All of that certain 283.115 acres, more or less, located in Travis and Bastrop Counties, Texas, comprised of the following tracts:

Tract 1: 234.288 acres, more or less, located in Travis and Bastrop Counties, Texas, more particularly described by metes and bounds on Exhibit "A-1" attached hereto and incorporated herein; and

Tract 2: 48.827 acres, more or less, located in Travis and Bastrop Counties, Texas, more particularly described by metes and bounds on Exhibit "A-2" attached hereto and incorporated herein.

Exhibit "A-1"

Tract 1

LEGAL DESCRIPTION

DESCRIPTION OF 234.288 ACRE TRACT OF LAND, SITUATED IN THE THOMAS CHRISTIAN SURVEY, ABSTRACT NOS. 20 AND 2296, IN BASTROP AND TRAVIS COUNTIES, TEXAS, BEING ALL OF THAT CERTAIN 234.215 ACRE TRACT OF LAND DESCRIBED IN A WARRANTY DEED FROM EUGENE R. KANAK, AND WIFE, JUDY A. KANAK TO THE EUGENE R. AND JUDY A. KANAK LIVING TRUST, EUGENE R. KANAK AND JUDY A. KANAK, CO-TRUSTEES, OF RECORD IN VOLUME 920, PAGE 713 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, AND VOLUME 13223, PAGE 668 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 234.288 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 5/8-inch iron rod found for the southwest corner of the said 234.215 acre tract and the herein described tract, being on the east right-of-way line of County Line Road, a variable width right-of-way, being also the northwest corner of that certain 48.820 acre tract of land described in a deed to Russel F. Boyd of record in Volume 725, Page 633 of the Official Public Records of Bastrop County, Texas, said point having Grid Coordinates of N=10110911.98, E=3221530.09;

THENCE, N 27°08'47" E, with the east right-of-way of County Line Road and the west line of said 234.215 acre tract, for a distance of **708.88 feet** to a 1/2-inch iron rod with cap stamped "ZWA" set for the southwest corner that certain 10.00 acre tract of land described in a deed to Clyde T. Lundgren and Betty S. Lundgren of record in Volume 7619, Page 44 of the Official Public Records of Travis County, Texas, and being an ell angle corner of said 234.215 acre tract and the herein described tract;

THENCE, S 62°51'29" E, departing the east right-of-way of County Line Road, with the south line of said 10.00 acre tract, for a distance of **476.51 feet** to a 1/2-inch iron rod with cap stamped "ZWA" set for the southeast corner said 10.00 acre tract, and being an interior angle corner of said 234.215 acre tract and the herein described tract;

THENCE, N 27°08'48" E, with the east line of said 10.00 acre tract and the west line of said 234.215 acre tract, at a distance of 914.67 feet passing the northeast corner of said 10.00 acre tract and the southeast corner of that certain 4.737 acre tract of land described in a deed to Clyde T. Lundgren and Betty S. Lundgren of record in Volume 7619, Page 47 of the Official Public Records of Travis County, Texas, for a total distance of **1,347.72 feet** to a 1/2-inch iron rod with cap stamped "ZWA" set for the northeast corner said 4.737 acre tract, being on the south line of that certain 147.144 acre tract of land described in a deed to RSM Real Estate, LP of record in Document No. 201414715 of the Official Public Records of Bastrop County, Texas, and being the northwest corner of said 234.215 acre tract and the herein described tract;

THENCE, S 62°53'48" E, with the south line of said 147.144 acre tract and the north line of said 234.215 acre tract, at a distance of 3,922.44 feet passing a 1-inch iron pipe found for the southeast corner of said 147.144 acre tract and the southwest corner of that certain 139.723 acre tract of land described in a deed to Roger and Suzanne Mogonye of record in Volume 2039, Page 771 of the Official Public Records of Bastrop County, Texas, for a total distance of **4,832.13 feet** to a 5/8-inch iron rod found for the northeast corner of said 234.215 acre tract and the herein described tract, and being the northwest corner of that certain 42.158 acre tract of land described in a deed to Ward and Patsy Payne of record in Volume 647, Page 728 of the Official Public Records of Bastrop County, Texas;

THENCE, S 27°35'48" W, with the west line of said 42.158 acre tract and the east line of said 234.215 acre tract, at a distance of 1,298.23 feet passing a 5/8-inch iron rod found for the southwest corner of said 42.158 acre tract and the northwest corner of that certain 66.936 acre tract of land described in a deed to Jim V. and Katherine L. Mogonye of record in Volume 2343, Page 362 of the Official Public Records of Bastrop County, Texas, for a total distance of **2,036.79 feet** to a 1/2-inch iron rod with cap stamped "ZWA" set for the southeast corner of said 234.215 acre tract and the herein described tract, and being on the north line of that certain 103 acre tract of land described in a deed to Norma Jean Larson and Kelly Wayne Kastner of record in Volume 2296, Page 347 of the Official Public Records of Bastrop County, Texas;

THENCE, N 63°06'30" W, with the north line of said 103 acre tract and the south line of said 234.215 acre tract, at a distance of 3,287.28 feet passing the northwest corner of said 103 acre tract and the northeast corner of said 48.820 acre tract, for a total distance of **5,292.66 feet** to the **POINT OF BEGINNING** and containing 234.288 acres of land.

BEARING BASIS NOTE

BEARINGS ARE BASED ON TEXAS STATE PLANE CENTRAL ZONE 4203, NAD 83. STATION. ALL COORDINATES SHOWN HEREON ARE GRID AND CAN BE ADJUSTED TO SURFACE BY MULTIPLYING BY A SURFACE ADJUSTMENT FACTOR OF 1.00003. DISTANCES SHOWN HEREON ARE IN SURFACE, U.S. SURVEY FEET.

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HAYS §

That I, Gina Loftis-Franklin, a Registered Professional Land Surveyor, do hereby state that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground December, 2017 and January, 2018 under my direction and supervision.

WITNESS MY HAND AND SEAL at Buda, Hays County, Texas this the 25th day of January 2018, A.D.

Zamora, L.L.C. dba "ZWA"
1435 South Loop 4
Buda, Texas 78610
512-295-6201
TX Firm No. 10062700

Gina Loftis-Franklin
Registered Professional Land Surveyor
No. 6087 – State of Texas

Exhibit "A-2"

Tract 2

LEGAL DESCRIPTION

DESCRIPTION OF 48.827 ACRE TRACT OF LAND, SITUATED IN THE THOMAS CHRISTIAN SURVEY, ABSTRACT NO. 20, IN BASTROP AND TRAVIS COUNTIES, TEXAS, BEING ALL OF THAT CERTAIN 24.41 ACRE TRACT (TRACT B) OF LAND DESCRIBED IN A PARTITION DEED TO RUSSELL FRANKLIN BOYD OF RECORD IN VOLUME 567, PAGE 545 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, AND ALL OF A 24.41 ACRE TRACT OF LAND CONVEYED TO RUSSELL FRANKLIN BOYD OF RECORD IN VOLUME 567, PAGE 545 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, AND ALL OF A 24.41 ACRE TRACT LAND DESCRIBED IN GENERAL WARRANTY DEED OF RECORD IN VOLUME 725, PAGE 633 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 48.827 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 5/8-inch iron rod found having Grid Coordinates of N=10110911.84, E=3221530.37 on the on the east right-of-way line of County Line Road, a variable width right-of-way, at the northwest corner of said 24.41 acre tract (Tract B) and being the southwest corner of a 234.288 acre tract described in a deed to CMH Parks , Inc. of record in Document No. 201807699, Official Public Record, Bastrop County, Texas, for the northwest corner of the herein described tract;

THENCE, S 63°06'26" E, departing the east right-of-way of County Line Road, with the common line of said 24.41 acre tract (Tract B) and said 234.288 acre tract, a distance of **2001.92** feet to a calculated point at the northeast corner of said 24.41 acre tract (Tract B) and being the northwest corner of a 103 acre tract of land described in a deed to Norma Jean Larson and Kelly Wayne Kastner of record in Volume 2296, Page 347 of the Official Public Records of Bastrop County, Texas, for the northeast corner of the herein described tract;

THENCE, S 27°10'16" W, departing the south line of said 234.288 acre tract, with the common line of said 24.41 acre tract (Tract B) and said 103 acre tract at 5.10 feet passing a 1/2" iron rod found and at 534.06 feet passing a 1/2" iron found disturbed at the southeast corner of said 24.41 acre tract (Tract B) and being the northeast corner of said 24.41 acre tract described in said Volume 725, Page 633, continuing with said common line of said 24.41 acre tract and said 103 acre tract, for a total distance of **1065.40 feet** to a 1/2" iron rod found on the north line of a 67 acre tract, more or less, described a warranty deed to the Cynthia Kreig & Sheldon Ray Johnson Living Trust, of record in Document No. 201810089, Official Public Record of Bastrop County, Texas, at the southeast corner of said 24.41 acre tract and being ell corner of said 103 acre tract, for the southeast corner of the herein described tract;

THENCE, N 62°50'09" W, departing the west line of said 103 acre tract, with the south line of said 24.41 acre tract, and being the north line of said 67 acre tract and a north line of a 3.006 acre tract described in a special warranty deed to Fausto C. Martinez and Maria Saucedo of record in Document No. 201108993, Official Public Records of Bastrop County, Texas, a distance of **2008.67 feet** to a 1/2" iron found on the east right-of-way line of said County Line Road, at the southwest corner of said 24.41 acre tract and being the northwest corner of said 3.006 acre tract, for the southwest corner of the herein described tract;

THENCE, N 27°32'17" E, with the east right-of-way of County Line Road and being the west line of said 24.41 acre tract and the west line of said 24.41 acre tract (Tract B), a distance of **1055.94** feet to the **POINT OF BEGINNING** and containing 48.827 acres of land.

BEARING BASIS

THE BEARINGS SHOWN HEREON ARE BASED ON TEXAS STATE PLANE COORDINATE SYSTEMS (CENTRAL ZONE 4203), NAD83 (93). THE BEARINGS AND DISTANCES ARE GRID.

THE STATE OF TEXAS §
§ **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF HAYS §

That I, G. Rene Zamora, a Registered Professional Land Surveyor, do hereby state that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

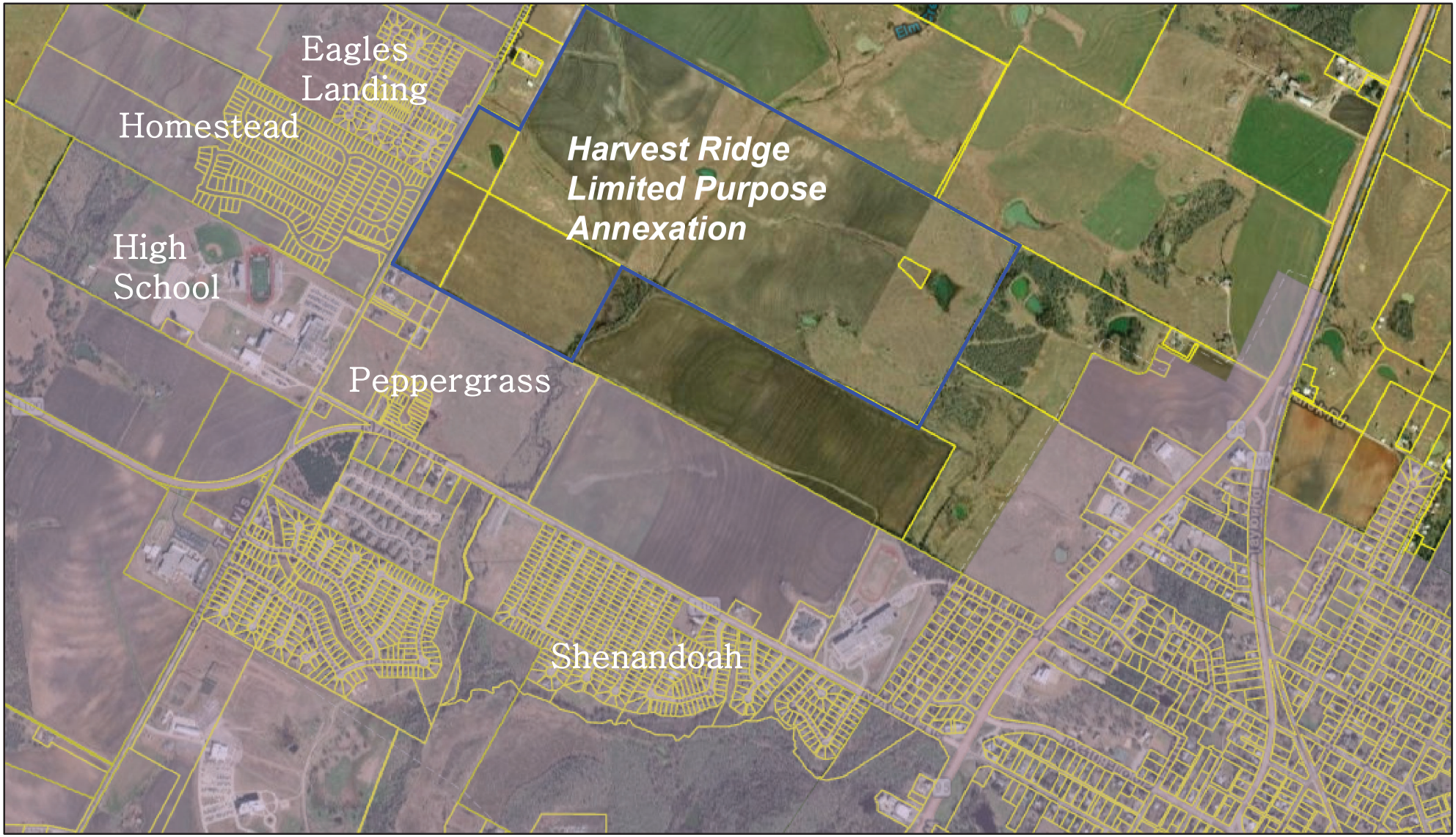
WITNESS MY HAND AND SEAL at Buda, Hays County, Texas this the 22 day of January, 2019, A.D.

STATE OF TEXAS
REGISTERED
G. RENE ZAMORA
5682
PROFESSIONAL
LAND SURVEYOR

G. Rene Zamora
Registered Professional Land Surveyor
No. 5682 – State of Texas

Zamora, L.L.C.
1425 South Loop 4
Buda, Texas 78610
512-295-6201
Tx. Firm No. 10062700

Exhibit "A"



5/8/2021, 5:38:20 PM

Travis Parcels Jan 2021

Elgin City Limits

Bastrop Parcels Jan 2021

1:18,056

0 0.13 0.25 0.5 mi

0 0.2 0.4 0.8 km

Esri, HERE, Garmin, (c) OpenStreetMap contributors, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Web AppBuilder for ArcGIS

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community | Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community | Esri, HERE, Garmin, (c) OpenStreetMap contributors | TRC GIS,

ELECTRONICALLY RECORDED
OFFICIAL PUBLIC RECORDS

Rose Pietsch

ROSE PIETSCH, County Clerk
Bastrop Texas
January 27, 2021 01:47:26 PM 202101656
FEE: $94.00
CERTIFICATE

After Recording, Please Return To:

Kevin M. Flahive
Armbrust & Brown, PLLC
100 Congress Ave., Ste. 1300
Austin, TX 78701

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
§
COUNTIES OF BASTROP & TRAVIS §

The Board of Directors (the "*Board*") of Altessa Municipal Utility District (the "*District*") convened a special meeting on the 21st day of May, 2020, via telephone conference call pursuant to Section 551.125, Texas Government Code, as modified temporarily by Governor Greg Abbott, and pursuant to the related guidance from the office of the Texas Attorney General in connection with the Governor's COVID-19 Disaster Proclamation.

The roll was called of the duly constituted officers and members of the Board, to wit:

Curtis K. Dyer	--	President
Nicholas Fuhrman	--	Vice President
Jason Rangel	--	Secretary
Parrish K. Moore	--	Assistant Secretary
Tom Goebel	--	Assistant Secretary

and all of the Directors were present, thus constituting a quorum. During the meeting, among other business, a Strategic Partnership Agreement between the City of Elgin, Texas and Altessa Municipal Utility District (the "*Strategic Partnership Agreement*") was duly introduced for the consideration of the Board. It was then duly moved and seconded that the Strategic Partnership Agreement be approved; and after due discussion, the motion, carrying with it the passage of the Strategic Partnership Agreement, prevailed and carried unanimously. On behalf of Armbrust & Brown, PLLC, attorneys for the District, the undersigned hereby certifies that the Strategic Partnership Agreement attached to this Certificate is a true and correct copy of the Strategic Partnership Agreement approved by the Board on May 21, 2020.

Kevin M. Flahive
Armbrust & Brown, PLLC
Attorneys for the District

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 27th day of January, 2021 by Kevin M. Flahive, of Armbrust & Brown, PLLC, attorneys for Altessa Municipal Utility District, a political subdivision of the State of Texas, on behalf of said District.

Notary Public Signature

(seal)

CHRISTY TRAHAN
NOTARY PUBLIC
ID# 1115161-0
State of Texas
Comm. Exp. 03-11-2022

RESOLUTION NO. 2020-12-15-59

A RESOLUTION OF THE CITY OF ELGIN, TEXAS APPROVING A STRATEGIC PARTNERSHIP AGREEMENT WITH THE ALTESSA MUNICIPAL UTILITY DISTRICT AND MAKING CERTAIN FINDINGS RELATED THERETO

WHEREAS, the City Council has approved and authorized a Development and Consent Agreement with Clayton Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes (the "Developer") and the Altessa Municipal Utility District (MUD) to construct a master-planned, mixed-use residential project that will include parks and recreational facilities to serve the community; and,

WHEREAS, the Texas Local Government Code, Section 43.0751 authorizes the City and certain utility districts, such as the Altessa MUD, to negotiate and enter into a strategic partnership agreement by mutual consent; and,

WHEREAS, the proposed Strategic Partnership Agreement provides for the annexation by the City, for limited purposes, of certain tracts of land in the Altessa MUD, with the current approximate location of such tracts being identified in Exhibit "B", attached hereto and made a part hereof; and,

WHEREAS, the Mayor and City Council have found and determined that the proposed Strategic Partnership Agreement with the Altessa Municipal Utility District will further the public interest and welfare.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS THAT:

Section 1. Findings. The following recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Authorization. The Mayor is hereby authorized to execute the *Strategic Partnership Agreement between the City of Elgin, Texas and the Altessa Municipal Utility District*, a copy of said agreement being attached hereto and marked Exhibit A; and made part of this Resolution as if copied verbatim herein.

Section 3. Open Meetings. The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

Section 4. Effective Date. This Resolution shall take effect immediately upon passage.

PASSED AND ADOPTED this 15th day of December, 2020.

RON M. RAMIREZ, Mayor
City of Elgin, Texas

ATTEST:

AMELIA SANCHEZ, City Secretary

CITY OF ELGIN TEXAS

STRATEGIC PARTNERSHIP AGREEMENT BETWEEN THE CITY OF ELGIN, TEXAS AND ALTESSA MUNICIPAL UTILITY DISTRICT

STATE OF TEXAS	§
	§
COUNTIES OF BASTROP	§
AND TRAVIS	§

This Strategic Partnership Agreement (this "Agreement") is entered into by and between the City of Elgin, Texas, a home-rule municipality located in Bastrop and Travis Counties, Texas (the "City") and Altessa Municipal Utility District, a political subdivision of the State of Texas created under Chapters 49 and 54 of the Texas Water Code (the "District"). Clayton Properties Group, Inc., a Tennessee corporation doing business in Texas as Brohn Homes (the "Developer"), has joined in this Agreement for the sole purpose of evidencing its consent to the City's annexation of the Development (as defined below), as contemplated by this Agreement.

RECITALS

WHEREAS, the City is a home-rule municipal corporation created and existing under the laws of the State of Texas and situated in Travis County, Texas; and

WHEREAS, the District is a municipal utility district created under and subject to the authority, conditions, and restrictions of Article XVI, Section 59, of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code, as amended; and

WHEREAS, the City and the District are individually referred to as a "Party" and collectively as the "Parties"; and

WHEREAS, the District encompasses 283.115 acres, more or less, located within the extraterritorial jurisdiction of the City, as more fully described on **Exhibit A** attached to this Agreement (the "Development"); and

WHEREAS, the Developer has represented to the City and the District that it owns the Development; and

WHEREAS, pursuant to Article II of the City's Home Rule Charter, the City has all of the powers granted to cities by the Constitution and laws of the State of Texas, together with all of the implied powers necessary to carry into execution such granted powers, such powers including, but not limited to, those granted by: (i) Section 43.0751 of the Texas Local Government Code authorizing a city to enter into a strategic partnership agreement that provides for the limited purpose annexation of a municipal utility district, or portion thereof, on terms acceptable to the municipality and the municipal utility district; and (ii) Chapter 212 of the Local Government Code authorizing a city to regulate subdivisions within its corporate boundaries and within its extraterritorial jurisdiction; and

WHEREAS, Section 43.0751 of the Texas Local Government Code provides that a strategic partnership agreement may include services and regulatory benefits; and

WHEREAS, the City desires to annex the 283.115 acres, more or less, within the Development for the sole purpose of imposing exclusive subdivision regulatory authority upon the Development (the "Limited Purpose"); and

WHEREAS, the District desires, pursuant to its authority under Section 54.234 of the Texas Water Code, to accept the dedication of public right-of-way and the street and drainage improvements located therein for operation and maintenance, upon construction and dedication of same by the Developer in accordance with this Agreement, within the Development; and

WHEREAS, subject to the terms and conditions of this Agreement, the District is willing to allow the City to annex the Development for the Limited Purpose; and

WHEREAS, to facilitate the City's limited purpose annexation of the Development, the Developer submitted to the City a petition requesting and consenting to such limited purpose annexation of the Development; and

WHEREAS, pursuant to Section 43.0751 of the Texas Local Government Code and the Developer's petition for limited purpose annexation, the Parties desire to enter into this Agreement to accomplish the City's annexation of the Development for the Limited Purpose; and

WHEREAS, the District provided notice of two public hearings in accordance with all applicable laws; and

WHEREAS, the board of directors of the District (the "Board") conducted two public hearings in accordance with all applicable laws at which members of the public who wished to present testimony or evidence regarding this Agreement were given the opportunity to do so; and

WHEREAS, the Board approved and adopted this Agreement on May 21, 2020, in open session at a meeting held in accordance with all applicable laws; and

WHEREAS, the City provided notice of two public hearings in accordance with all applicable laws; and

WHEREAS, the City Council of the City (the "City Council") conducted two public hearings in accordance with all applicable laws at which members of the public who wished to present testimony or evidence regarding this Agreement were given the opportunity to do so; and

WHEREAS, the City Council approved and adopted this Agreement on DECEMBER 15, 2020, in open session in accordance with all applicable laws, which approval and adoption occurred after the Board approved and adopted this Agreement; and

WHEREAS, all notices, hearings and other procedural requirements imposed by law for the adoption of this Agreement have been met; and

WHEREAS, in accordance with the requirements of Section 43.0751(p)(1) of the Texas Local Government Code, this Agreement does not require the District to provide revenue to the City solely for the purpose of obtaining an agreement with the City to forego annexation of the District; and

WHEREAS, in accordance with the requirements of Section 43.0751(p)(2) of the Texas Local Government Code, this Agreement provides services and benefits for the City and the District that are reasonable and equitable.

NOW THEREFORE, for and in consideration of the mutual agreements contained in this Agreement, and for the good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the District and the City agree as follows:

ARTICLE I. RECITALS

Section 1.1 Recitals. The recitals set forth above are true and correct and are incorporated herein and made a part hereof as findings for all purposes.

ARTICLE II. ADOPTION OF AGREEMENT AND LIMITED PURPOSE ANNEXATION OF PROPERTY

Section 2.1 Public Hearings. The Parties acknowledge and agree that prior to the execution of this Agreement, the Board and the City Council conducted public hearings to consider the adoption of this Agreement and that such hearings were noticed and conducted in accordance with all applicable laws.

Section 2.2 Effective Date. The effective date of this Agreement (the "Effective Date") is the date it is approved and adopted by the City Council.

Section 2.3 Filing in Property Records. This Agreement shall be filed in the Real Property Records of Travis and Bastrop Counties, Texas.

Section 2.4 Limited Purpose Annexation of Development. The Parties agree that the City may annex the Development solely for the Limited Purpose. The District acknowledges and agrees that the City Council may adopt a limited purpose annexation ordinance applicable to the Development at a meeting conducted in accordance with Chapter 551 of the Texas Government Code and that no further notices, hearings, or other procedures shall be required to adopt such limited purpose annexation ordinance. The City may commence limited purpose annexation of the Development upon the Effective Date.

Section 2.5 Consent to Limited Purpose Annexation. The District, on behalf of itself and all present and future owners of land within the District, hereby requests that the City annex the Development solely for the Limited Purpose. The District consents to such annexation. Such

consent shall bind the District and the Developer and each future owner of land within the Development.

Section 2.6 Limited District. The District is not a limited district as defined in Section 43.0751(a)(2) of the Texas Local Government Code.

Section 2.7 Property Taxes and District Liability for Debts of the City. During the term of this Agreement: (i) neither the District, nor any owners of taxable property within the District, are liable for any present or future debts of the City; and (ii) current and future ad valorem and sales and use taxes levied by the City shall not be levied on taxable property or activity within the District.

Section 2.8 Powers and Functions Retained by the District. Following the City's limited purpose annexation of the Development, and notwithstanding anything in this Agreement to the contrary, the District is authorized to exercise all powers and functions of a municipal utility district provided by existing law or any amendments or additions thereto.

Section 2.9 Water, Sewer, and Drainage Services. The Developer will develop, on behalf of the District, and the District will own, operate and maintain wastewater and drainage systems within the Development as is reasonably necessary to provide such services to the owners and occupants of such area. The Developer will develop, on behalf of the District, and Aqua Water Supply Corporation will own, operate and maintain a water system within the Development, as is reasonably necessary to provide such services to the owners and occupants of such area.

ARTICLE III. SUBDIVISION REGULATORY AUTHORITY; ROADWAYS

Section 3.1 Subdivision Regulatory Authority. The City shall have the exclusive authority to regulate the subdivision of land within the boundaries of the Development, and shall regulate the subdivision of such land in accordance with Chapter 36 of the City's Code of Ordinances, subject to the terms and conditions of that certain "Development and Consent Agreement" dated effective August 8, 2019, as it may be amended from time to time (the "Development and Consent Agreement").

Section 3.2 Roadways. The District shall accept the dedication of public right-of-way and the street and drainage improvements located therein for operation and maintenance, upon construction and dedication of same by the Developer in accordance with the requirements and standards set forth in Chapter 36 of the City's Code of Ordinances, subject to the terms and conditions of the Development and Consent Agreement.

ARTICLE IV. FULL PURPOSE ANNEXATION

Section 4.1 No Full-Purpose Annexation During Term of Development and Consent Agreement. The City shall not annex the Development, or any other portion of the District, for full purposes until after the expiration of the Development and Consent Agreement. If the City decides to disannex the Development and has the authority to disannex, the City may institute

proceedings to accomplish such disannexation to be effective upon the termination of this Agreement.

ARTICLE V. TERM

Section 5.1 Term. This Agreement commences on the Effective Date and continues for forty (40) years.

ARTICLE VI. BREACH, NOTICE AND REMEDIES

Section 6.1 Notification of Breach. If either Party commits a breach of this Agreement, the non-breaching Party shall give Notice to the breaching Party that describes the breach in reasonable detail.

Section 6.2 Cure of Breach. The breaching Party shall commence curing the breach within fifteen (15) calendar days after receipt of the Notice of the breach and shall complete the cure within thirty (30) days from the date of commencement of the cure; however, if the breach is not reasonably susceptible to cure within such 30-day period, the non-breaching Party shall not bring any action so long as the breaching Party has commenced to cure within such 30-day period and diligently completes the work within a reasonable time without unreasonable cessation.

Section 6.3 Remedies for Breach. If the breaching Party does not substantially cure the breach within the stated period of time, the non-breaching Party may, in its sole discretion, and without prejudice to any other right under this Agreement, law, or equity, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus and injunctive relief; provided, however, that the non-breaching Party shall not be entitled to terminate this Agreement. The Parties specifically waive any right that they have or in the future may have to terminate this Agreement. Damages, if any, to which any non-breaching Party may be entitled shall be limited to actual damages and shall not include special or consequential damages. In addition, the prevailing party in any such action shall be entitled to reasonable attorney's fees and costs of litigation as determined in a final, non-appealable order in a court of competent jurisdiction.

ARTICLE VII. ADDITIONAL PROVISIONS

Section 7.1 Voting. Pursuant to Section 43.130(a) of the Texas Local Government Code, the qualified voters of an area annexed for limited purposes are entitled to vote in municipal elections regarding the election or recall of members of the governing body of the municipality, the election or recall of the controller, if the office of controller is an elective position of the municipality, and the amendment of the municipal charter. The voters may not vote in any municipal bond election. Pursuant to Section 43.130(b) of the Texas Local Government Code, residents of the Development will not be eligible to be a candidate for or to be elected to a municipal office until and unless the Development is annexed into the City for full purposes.

Section 7.2 Notices. Any notices, certifications, approvals, or other communications (a "Notice") required to be given by one Party to another under this Agreement shall be given in

writing addressed to the Party to be notified at the address set forth below and shall be deemed given: (i) when the Notice is delivered in person to the person to whose attention the Notice is addressed; (ii) ten (10) business days after the Notice is deposited in the United States Mail, certified or registered mail, return receipt requested, postage prepaid; (iii) when the Notice is delivered by Federal Express, UPS, or another nationally recognized courier service with evidence of delivery signed by any person at the delivery address; or (iv) ten (10) business days after the Notice is sent by facsimile (with electronic confirmation by the sending facsimile machine) with a confirming copy sent by United States mail within 48 hours after the facsimile is sent. If any date or period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the Notice shall be extended to the first business day following the Saturday, Sunday, or legal holiday. For the purpose of giving any Notice, the addresses of the Parties are set forth below. The Parties may change the information set forth below by sending Notice of such change to the other Party as provided in this Section 7.2.

To the City:	City of Elgin P.O. Box 591 Elgin, Texas 78621 Attn: City Manager
To the District:	c/o Armbrust & Brown, PLLC 100 Congress Avenue, Suite 1300 Austin, Texas 78701 Attn: Kevin M. Flahive

Section 7.3 No Waiver. Any failure by a Party to insist upon strict performance by the other Party of any provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purpose for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

Section 7.4 Governing Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, as they apply to contracts performed within the State of Texas and without regard to any choice of law rules or principles to the contrary. The Parties acknowledge that this Agreement is performable in Travis and Bastrop Counties, Texas and hereby submit to the jurisdiction of the courts of Travis and Bastrop Counties, Texas and hereby agree that any such court shall be a proper forum for the determination of any dispute arising hereunder.

Section 7.5 Authority to Execute. The City represents and warrants to the District that the execution of this Agreement has been duly authorized by the City Council and that the person executing this Agreement on behalf of the City has been duly authorized to do so by the City Council. The District represents and warrants to the City that the execution of this Agreement has

been duly authorized by the Board and that the person executing this Agreement on behalf of the District has been duly authorized to do so by the Board.

Section 7.6 Severability. The provisions of this Agreement are severable and, in the event any word, phrase, clause, sentence, paragraph, section, or other provision of this Agreement, or the application thereof to any person or circumstance, shall ever be held or determined to be invalid, illegal, or unenforceable for any reason, and the extent of such invalidity or unenforceability does not cause substantial deviation from the underlying intent of the Parties as expressed in this Agreement, then such provision shall be deemed severed from this Agreement with respect to such person, entity or circumstance, without invalidating the remainder of this Agreement or the application of such provision to other persons, entities or circumstances, and a new provision shall be deemed substituted in lieu of the provision so severed which new provision shall, to the extent possible, accomplish the intent of the Parties as evidenced by the provision so severed.

Section 7.7 Changes in State or Federal Laws. If any state or federal law changes so as to make it impossible for the City or the District to perform its obligations under this Agreement, the parties will cooperate to amend this Agreement in such a manner that is most consistent with the original intent of this Agreement as legally possible.

Section 7.8 Additional Documents and Acts. The Parties agree that at any time after execution of this Agreement, they will, upon request of the other Party, execute and/or exchange any other documents necessary to effectuate the terms of this Agreement and perform any further acts or things as the other Party may reasonably request to effectuate the terms of this Agreement.

Section 7.9 Assignment. This Agreement shall not be assignable without the other Party's written consent. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective representatives, successors, and assigns as permitted by this Agreement.

Section 7.10 Amendment. This Agreement may be amended only with the written consent of the Parties and with approval of the governing bodies of the City and the District.

Section 7.11 Interpretation. This Agreement has been negotiated by the Parties, each of which has been represented by counsel; consequently, the rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

Section 7.12 No Third Party Beneficiaries. This Agreement is solely for the benefit of the City and the District, and neither the City nor the District intends by any provision of this Agreement to create any rights in any third-party beneficiaries or to confer any benefit or enforceable rights under this Agreement or otherwise upon anyone other than the City and the District.

Section 7.13 Governmental Powers. Neither Party waives or surrenders any of its respective governmental powers, immunities or rights, except as specifically waived pursuant to

this Section 7.13. Each Party waives its respective governmental immunity from suit and liability only as to any action brought by the other Party to pursue the remedies available under this Agreement. Nothing in this Section 7.13 shall waive any claims, defenses or immunities that either Party has with respect to suits against them by persons or entities not a party to this Agreement.

Section 7.14 Incorporation of Exhibits by Reference. All exhibits attached to this Agreement are incorporated into this Agreement by reference for the purposes set forth herein, as follows:

Exhibit A Description of Development

Section 7.15 Counterpart Originals. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

[COUNTERPART SIGNATURE PAGES FOLLOW]

DISTRICT:

ALTESSA MUNICIPAL UTILITY DISTRICT

By: _____
Curtis Kelly Dyer, Board President

Date: May 21, 2020

ATTEST:

By: _____
Jason Rangel, Secretary

Date: May 21, 2020

CITY:

CITY OF ELGIN, TEXAS

By:_____
Ron M. Ramirez, Mayor

Date: December 16, 2020

APPROVED AS TO FORM:

By:_____
Charles Crossfield, City Attorney

Date: 12/16/20, 2020

DEVELOPER:

CLAYTON PROPERTIES GROUP, INC.,
a Tennessee corporation doing business in Texas
as **BROHN HOMES**

By:_____
Adam B. Boenig, Vice President

Date: January 8, 2021 ~~2020~~

EXHIBIT "A"

DESCRIPTION OF THE DEVELOPMENT

All of that certain 283.115 acres, more or less, located in Travis and Bastrop Counties, Texas, comprised of the following tracts:

Tract 1: 234.288 acres, more or less, located in Travis and Bastrop Counties, Texas, more particularly described by metes and bounds on Exhibit "A-1" attached hereto and incorporated herein; and

Tract 2: 48.827 acres, more or less, located in Travis and Bastrop Counties, Texas, more particularly described by metes and bounds on Exhibit "A-2" attached hereto and incorporated herein.

Exhibit "A-1"

Tract 1

LEGAL DESCRIPTION

DESCRIPTION OF 234.288 ACRE TRACT OF LAND, SITUATED IN THE THOMAS CHRISTIAN SURVEY, ABSTRACT NOS. 20 AND 2296, IN BASTROP AND TRAVIS COUNTIES, TEXAS, BEING ALL OF THAT CERTAIN 234.215 ACRE TRACT OF LAND DESCRIBED IN A WARRANTY DEED FROM EUGENE R. KANAK, AND WIFE, JUDY A. KANAK TO THE EUGENE R. AND JUDY A. KANAK LIVING TRUST, EUGENE R. KANAK AND JUDY A. KANAK, CO-TRUSTEES, OF RECORD IN VOLUME 920, PAGE 713 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, AND VOLUME 13223, PAGE 668 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 234.288 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 5/8-inch iron rod found for the southwest corner of the said 234.215 acre tract and the herein described tract, being on the east right-of-way line of County Line Road, a variable width right-of-way, being also the northwest corner of that certain 48.820 acre tract of land described in a deed to Russel F. Boyd of record in Volume 725, Page 633 of the Official Public Records of Bastrop County, Texas, said point having Grid Coordinates of N=10110911.98, E=3221530.09;

THENCE, N 27°08'47" E, with the east right-of-way of County Line Road and the west line of said 234.215 acre tract, for a distance of **708.88 feet** to a 1/2-inch iron rod with cap stamped "ZWA" set for the southwest corner that certain 10.00 acre tract of land described in a deed to Clyde T. Lundgren and Betty S. Lundgren of record in Volume 7619, Page 44 of the Official Public Records of Travis County, Texas, and being an ell angle corner of said 234.215 acre tract and the herein described tract;

THENCE, S 62°51'29" E, departing the east right-of-way of County Line Road, with the south line of said 10.00 acre tract, for a distance of **476.51 feet** to a 1/2-inch iron rod with cap stamped "ZWA" set for the southeast corner said 10.00 acre tract, and being an interior angle corner of said 234.215 acre tract and the herein described tract;

THENCE, N 27°08'48" E, with the east line of said 10.00 acre tract and the west line of said 234.215 acre tract, at a distance of 914.67 feet passing the northeast corner of said 10.00 acre tract and the southeast corner of that certain 4.737 acre tract of land described in a deed to Clyde T. Lundgren and Betty S. Lundgren of record in Volume 7619, Page 47 of the Official Public Records of Travis County, Texas, for a total distance of **1,347.72 feet** to a 1/2-inch iron rod with cap stamped "ZWA" set for the northeast corner said 4.737 acre tract, being on the south line of that certain 147.144 acre tract of land described in a deed to RSM Real Estate, LP of record in Document No. 201414715 of the Official Public Records of Bastrop County, Texas, and being the northwest corner of said 234.215 acre tract and the herein described tract;

THENCE, S 62°53'48" E, with the south line of said 147.144 acre tract and the north line of said 234.215 acre tract, at a distance of 3,922.44 feet passing a 1-inch iron pipe found for the southeast corner of said 147.144 acre tract and the southwest corner of that certain 139.723 acre tract of land described in a deed to Roger and Suzanne Mogonye of record in Volume 2039, Page 771 of the Official Public Records of Bastrop County, Texas, for a total distance of **4,832.13 feet** to a 5/8-inch iron rod found for the northeast corner of said 234.215 acre tract and the herein described tract, and being the northwest corner of that certain 42.158 acre tract of land described in a deed to Ward and Patsy Payne of record in Volume 647, Page 728 of the Official Public Records of Bastrop County, Texas;

THENCE, S 27°35'48" W, with the west line of said 42.158 acre tract and the east line of said 234.215 acre tract, at a distance of 1,298.23 feet passing a 5/8-inch iron rod found for the southwest corner of said 42.158 acre tract and the northwest corner of that certain 66.936 acre tract of land described in a deed to Jim V. and Katherine L. Mogonye of record in Volume 2343, Page 362 of the Official Public Records of Bastrop County, Texas, for a total distance of **2,036.79 feet** to a 1/2-inch iron rod with cap stamped "ZWA" set for the southeast corner of said 234.215 acre tract and the herein described tract, and being on the north line of that certain 103 acre tract of land described in a deed to Norma Jean Larson and Kelly Wayne Kastner of record in Volume 2296, Page 347 of the Official Public Records of Bastrop County, Texas;

THENCE, N 63°06'30" W, with the north line of said 103 acre tract and the south line of said 234.215 acre tract, at a distance of 3,287.28 feet passing the northwest corner of said 103 acre tract and the northeast corner of said 48.820 acre tract, for a total distance of **5,292.66 feet** to the **POINT OF BEGINNING** and containing 234.288 acres of land.

BEARING BASIS NOTE

BEARINGS ARE BASED ON TEXAS STATE PLANE CENTRAL ZONE 4203, NAD 83. STATION. ALL COORDINATES SHOWN HEREON ARE GRID AND CAN BE ADJUSTED TO SURFACE BY MULTIPLYING BY A SURFACE ADJUSTMENT FACTOR OF 1.00003. DISTANCES SHOWN HEREON ARE IN SURFACE, U.S. SURVEY FEET.

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HAYS §

That I, Gina Loftis-Franklin, a Registered Professional Land Surveyor, do hereby state that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground December, 2017 and January, 2018 under my direction and supervision.

WITNESS MY HAND AND SEAL at Buda, Hays County, Texas this the 25th day of January 2018, A.D.

Zamora, L.L.C. dba "ZWA"
1435 South Loop 4
Buda, Texas 78610
512-295-6201
TX Firm No. 10062700

Gina Loftis-Franklin
Registered Professional Land Surveyor
No. 6087 – State of Texas

Exhibit "A-2"

Tract 2

LEGAL DESCRIPTION

DESCRIPTION OF 48.827 ACRE TRACT OF LAND, SITUATED IN THE THOMAS CHRISTIAN SURVEY, ABSTRACT NO. 20, IN BASTROP AND TRAVIS COUNTIES, TEXAS, BEING ALL OF THAT CERTAIN 24.41 ACRE TRACT (TRACT B) OF LAND DESCRIBED IN A PARTITION DEED TO RUSSELL FRANKLIN BOYD OF RECORD IN VOLUME 567, PAGE 545 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, AND ALL OF A 24.41 ACRE TRACT OF LAND CONVEYED TO RUSSELL FRANKLIN BOYD OF RECORD IN VOLUME 567, PAGE 545 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, AND ALL OF A 24.41 ACRE TRACT LAND DESCRIBED IN GENERAL WARRANTY DEED OF RECORD IN VOLUME 725, PAGE 633 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 48.827 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 5/8-inch iron rod found having Grid Coordinates of N=10110911.84, E=3221530.37 on the on the east right-of-way line of County Line Road, a variable width right-of-way, at the northwest corner of said 24.41 acre tract (Tract B) and being the southwest corner of a 234.288 acre tract described in a deed to CMH Parks , Inc. of record in Document No. 201807699, Official Public Record, Bastrop County, Texas, for the northwest corner of the herein described tract;

THENCE, S 63°06'26" E, departing the east right-of-way of County Line Road, with the common line of said 24.41 acre tract (Tract B) and said 234.288 acre tract, a distance of **2001.92** feet to a calculated point at the northeast corner of said 24.41 acre tract (Tract B) and being the northwest corner of a 103 acre tract of land described in a deed to Norma Jean Larson and Kelly Wayne Kastner of record in Volume 2296, Page 347 of the Official Public Records of Bastrop County, Texas, for the northeast corner of the herein described tract;

THENCE, S 27°10'16" W, departing the south line of said 234.288 acre tract, with the common line of said 24.41 acre tract (Tract B) and said 103 acre tract at 5.10 feet passing a 1/2" iron rod found and at 534.06 feet passing a 1/2" iron found disturbed at the southeast corner of said 24.41 acre tract (Tract B) and being the northeast corner of said 24.41 acre tract described in said Volume 725, Page 633, continuing with said common line of said 24.41 acre tract and said 103 acre tract, for a total distance of **1065.40 feet** to a 1/2" iron rod found on the north line of a 67 acre tract, more or less, described a warranty deed to the Cynthia Kreig & Sheldon Ray Johnson Living Trust, of record in Document No. 201810089, Official Public Record of Bastrop County, Texas, at the southeast corner of said 24.41 acre tract and being ell corner of said 103 acre tract, for the southeast corner of the herein described tract;

THENCE, N 62°50'09" W, departing the west line of said 103 acre tract, with the south line of said 24.41 acre tract, and being the north line of said 67 acre tract and a north line of a 3.006 acre tract described in a special warranty deed to Fausto C. Martinez and Maria Saucedo of record in Document No. 201108993, Official Public Records of Bastrop County, Texas, a distance of **2008.67 feet** to a 1/2" iron found on the east right-of-way line of said County Line Road, at the southwest corner of said 24.41 acre tract and being the northwest corner of said 3.006 acre tract, for the southwest corner of the herein described tract;

THENCE, N 27°32'17" E, with the east right-of-way of County Line Road and being the west line of said 24.41 acre tract and the west line of said 24.41 acre tract (Tract B), a distance of **1055.94** feet to the **POINT OF BEGINNING** and containing 48.827 acres of land.

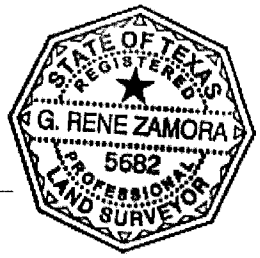
BEARING BASIS

THE BEARINGS SHOWN HEREON ARE BASED ON TEXAS STATE PLANE COORDINATE SYSTEMS (CENTRAL ZONE 4203), NAD83 (93). THE BEARINGS AND DISTANCES ARE GRID.

THE STATE OF TEXAS §
§ **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF HAYS §

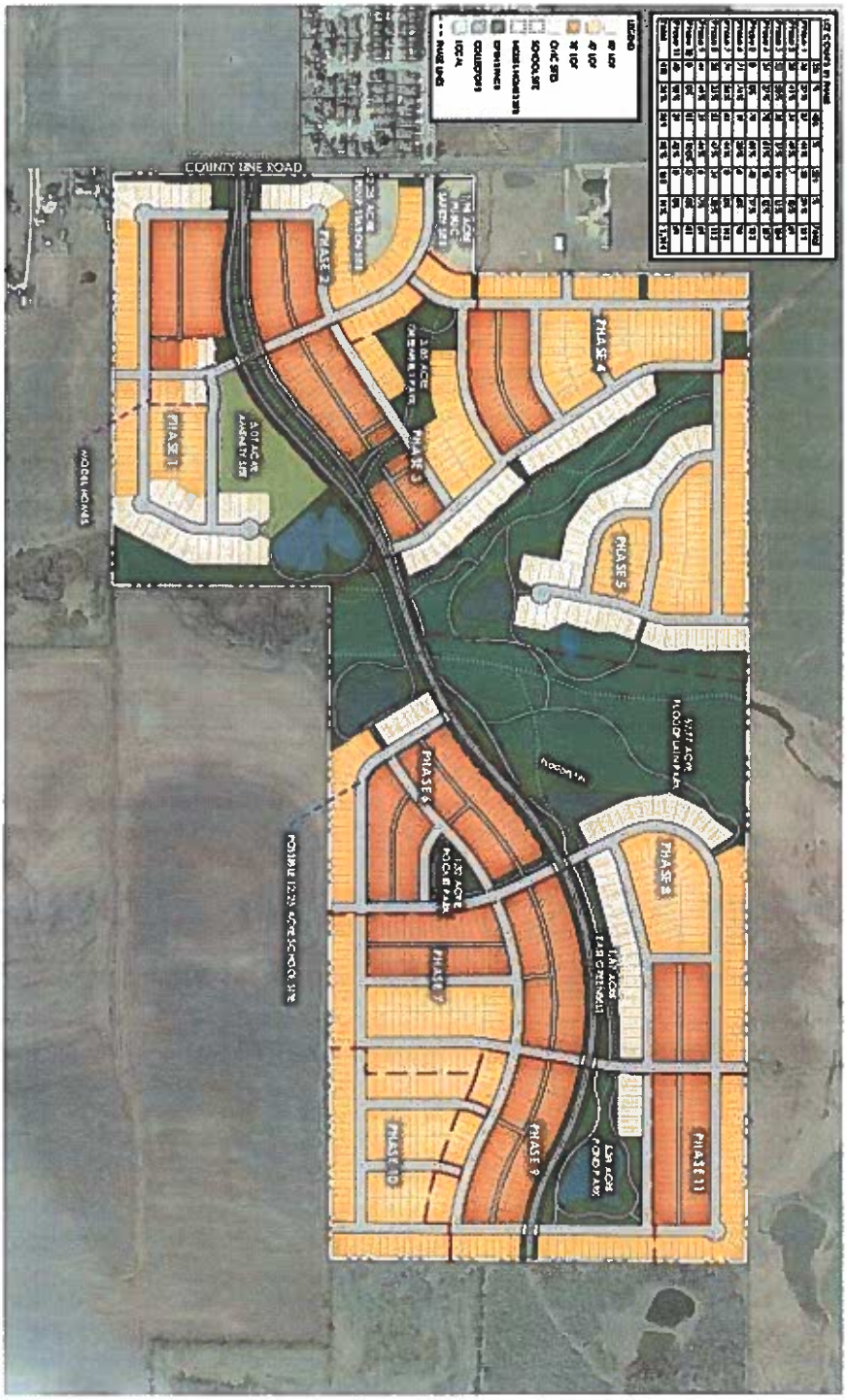
That I, G. Rene Zamora, a Registered Professional Land Surveyor, do hereby state that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at Buda, Hays County, Texas this the 22 day of January, 2019, A.D.



G. Rene Zamora
Registered Professional Land Surveyor
No. 5682 – State of Texas

Zamora, L.L.C.
1425 South Loop 4
Buda, Texas 78610
512-295-6201
Tx. Firm No. 10062700

EXHIBIT "C"

CONCEPT PLAN